

City Council Work Session Transcript –3/3/2015

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[9:41:41 AM]

>> Mayor Adler: What day is today? All right. We're going to convene the work session here on Tuesday, March 3. It is 9:41. We are on the boards and commission room at city hall. I would point out to my colleagues that we have changed the microphones. If you haven't noticed. Now you press the button and the red light comes on. That means you're live. There is no green light. So it's opposite. So be careful. And know that if there's no light, you're not actually speaking to the group. So when you're careful, you'll know if you want to speak you have to turn it red so that the room can hear. We're going to go through the agenda that we have. We have one item to discuss in executive session, that's Garza. So before we would come and discuss that here, we should probably pull into executive session, but we're going to not start there. We're going to work our way through the agenda. Ready to start? Yes.

>> Tovo: Mayor, may I mention two scheduling issues quickly? The first is today is our first meeting of the audit and finance committee. We're slated to start at 2:00. And that assumes that we will have wrapped up the work session. If we haven't, I hope that we'll have a little bit of opportunity at around 2:00 just to talk very briefly about whether or not we should move forward with that meeting or not so that our staff aren't waiting. It was brought to my attention that April 9, perhaps, makers are you aware of this --

>> Mayor Adler: April 9.

>> Tovo: We're scheduled to meet as a council on April 9 but it was brought to our attention that our city has planned to have an open government symposium in the council chambers and boards and commissions room on April nine and 10; is that correct?

[9:43:43 AM]

>> I think that date is correct nine I throw it out for our consideration of whether or not we would, one, be displacing that symposium and, two, when the city did it in the past it was extremely valuable and I know I would like all my staff to attend and I certainly would like to attend as well. So, anyway, I don't know that we need to resolve it today but I wanted to make everyone aware of it.

>> Mayor Adler: If we could -- could Robert, I don't see him here, if you could take a look at that scheduling issue and then maybe on Thursday or whenever, you could come back and say this is what

you let me, given all this, what's happening.

>> Will do.

>> Mayor Adler: Thanks. Okay. We ready? All right. Let's dig in. We have items initially Austin energy, we have items 2 through 58. Through 8, all pulled by councilmember troxclair.

>> Troxclair: I don't see any color. There you go.

>> Mayor Adler: Color is up top.

>> Troxclair: Director of energy efficiency services at Austin energy. Daniel Murray, manager of solar energy services at Austin energy.

>> Mayor Adler: You need to pull it a little bit closer. And that will help.

>> Okay.

>> Mayor Adler: Ms. Troxclair, you pulled these.

>> Troxclair: Yeah, yeah. I'm happy to talk about kind of all of them together. Thank you for being here. I guess, first of all, so I don't forget, I think my staff has been working with someone over there to get a cumulative total of the incentive or the rebates that we offer for solar incentives and energy efficiency informants.

[9:45:57 AM]

Do y'all oversee both of those programs? So I would love to see -- I know these are specific items we're approving, but it would be helpful for me to understand the context of how much money is going towards these programs. And, you know, it was -- it's really, especially on the top of my mind. I had a town hall type meeting in my district on Friday, and I would say over half of the time we spent specifically on Austin energy and Austin water issues. People are, you know, frustrated with their bills, they've had customer service issues. So I really appreciate Mr. Weis being -- committed to improved customer service this year and I'm looking forward to talking more to him about that. I did just want to try to get a better understanding of these informant programs because, you know, it's hard for me to hear from constituents who are just above the level for qualifying for customer assistance programs but are still really struggling to pay their bills or a senior on a fixed income who doesn't -- literally cannot come up with a \$200 deposit required to transfer her service. Then I look at these kinds of things, and it's just a balance of where that money is going. Are those people -- how much are we spending on these programs and are we expecting people who are struggling to pay their bills to contribute to these programs? So I'm just trying to understand it in a broader context. So specifically to these items, how do we determine what percentage of the costs the city will cover? There doesn't seem -- I know there doesn't to be a specific formula. Each one is a different percentage of the cost of the project.

>> Do you want to do solar first?

>> On the solar side, these are commercial informant informants so we have a set rate for our commercial incentive, performance based or pbi.

[9:48:03 AM]

Unlike our residential rebates, up front, you install a system and you get a check back right now at 110.10 a watt. On the commercial side you get it performance based only when your system produces energy. Every kilowatt you produce currently is at 9 cents. That has gone down as the price of solar has dropped. We're targeting an informant that will get addition analyst ality.we're trying to meet the local goals council set for us. Currently it's at 9 cents. That's standard. The reason it's different, everybody of course gets a different quote from different contractors and has a different site and different characteristics. Different installations cost different amounts but we provide the same standard informant for every kilowatt hour the system produces.

>> That's similar with energy efficiency, but ours is based on kilowatt as well and it varies depending on what measure is installed. Some of the areas, because of prior council discussions, are provided an additional funding, higher than the other, and multifamilies are -- is one of those areas.

>> Troxclair: Do you know about how much 97,000-kilowatt hours -- yeah, will Watts per year translates into dollars for a commercial customer?

>> Well, once again, it does depend on the commercial customer. We take an estimate on each of our different customers on what that impact might be, but depending on the rate structure that they're within and their use and the demand charges, it varies greatly. But we can certainly add that in the future if that would be helpful.

>> Troxclair: Okay. Yeah, I mean, I would say the more information the better. Because it does seem -- I mean, I see on the item number 3, it was about -- I guess this informant is equal to about 57% of the cost of the project.

[9:50:09 AM]

So it is pretty significant portion and that's in a case where, you might notice, that's settlement homes, correct? So it's a nonprofit that an installer was putting a system on and I think the installer in that case gave them some discounted pricing, as a sort of pro Bono aspect for them. That's why it looks, like, a higher portion of their installed cost because they got a reduced cost from the installer. Normally it's not quite that high, the informant.

>> Troxclair: Okay. Then I guess moving on to a few of the other items, and does the energy efficiency rebate program operate in the same way or is it completely different?

>> Can you clarify?

>> Troxclair: Well, just items two and 3 are the programs set up a similar way, the solar informant?

>> So they're both based on kw. So we have a fixed return depending on what the measure is and the associated kw. It does vary because in an energy efficiency realm there's far more measures than there are necessarily in solar. We'd be happy to pull together any information that might be helpful to show you the overall aspect of how these programs are put together, budget and kind of the history if that would be helpful.

>> Troxclair: Yes, that would be very helpful.

>> Okay.

>> Troxclair: I guess on item number four in particular, let's see, is that -- is it item number four? It almost looks like the -- we well, hold on I'm going through my Numbers. Somebody Zimmerman did you have any questions while I look at this?

>> Zimmerman: I do. Let me back up a little bit. We just had a session yesterday, a policy session, and I made some pointed objections to the idea that solar is, as some people say, now competitive with other forms of energy.

[9:52:15 AM]

And my response to that is nonsense. And what I see here of course in some of these pretty large informants here, it underscores the point that solar does not pay for itself. It has to be heavily subsidized. So I guess what I'd like from your position is to explain this cognitive dissonance where people are claiming solar is now cheap and efficient enough that it pays for itself and here we are confronted with subsidies to approve.

>> There's two sides to that. Often when you hear solar is competitive they might be talking about utility scale. When you talk about a large multimegawatt system, out in west Texas, 50% more sun than we have here, the payback is great and we're getting great purchase agreements for it, handwritten you

would pay for natural gas plants. They of course don't produce at the same time and you don't have as much control over when the sun shines, there's difference, but the price per kilowatt hour actually is similar to other fuel om options. When you talk about roof top solar, local solar, we have different programs that carve out different programs, it is less cost-effective because it's smaller, up on a roof, and you don't get the economies of scale. When you hear it's competitive in many states across the country, that is always contingent on whatever the rate schedule is in those areas. So if you're in an area where you are offsetting your electric bill or in our territory getting a value of solar credit, you are probably able to get a payback that's within the life of that system even without informants. So, for example, a solar system normally has a production guarantee for Ta years sew essentially it's warranty for 25 years, very Lon system life and normally you'll recover the benefits, you'll receive through your utility savings, all of the costs that you put into that system but it's within the 25 year life.

[9:54:20 AM]

That's not always attractive to a homeowner as an investment they want to make. While it may be cheaper over that long-term it's not enough to make your homeowners want to make that big investment. They are willing to invest in something with a ten or 15 year payback, that's where the informants come here to get to that level, where people want to put it on their roof and make that up front investment to have that longer term return but not quite a 25 year return.

>> Zimmerman: Well, going back to what councilmember troxclair is complaining about, I have the same concern and I expect to be voting against these subsidies and aggressively revisiting these arbitrary goals that Austin energy set for solar power, I think they're unaffordable and unsustainable but I expect I'll be voting against these, and I -- if the argument is, as you said, the hours of sunlight, which has everything to do with how much energy you can produce out of the expensive investment of solar panels, it is true that in west Texas and in Arizona, various parts of the country you have more sun hours average throughout the entire year. Why not make the argument, you know, let's only put solar in the places where we have the maximum sun? In areas where we don't have maximized sun, let's not do it because it doesn't make economic sense.

>> Austin of course compared to the rest of the country has excellent resources just it's better out in west Texas. I think the argument that cake from stakeholders who got those goals passed through council, not Austin energy, are also looking at other benefits to having local solar, including local economic benefits and benefits associated to reduced transmission and distribution. If we don't need to send that power across ercot's wires we have reduced fees. There are economic benefits to having to done local by even if we don't have as much solar resources here in Austin. It's a much smaller goal compared to what we have in the utility scale goal.

[9:56:22 AM]

>> Zimmerman: I understand that as well. I'm probably the only person in this room that proved --

>> Excellent, I have no idea.

>> Zimmerman: I have a technical basis and do understand the concepts. That's why I'm opposed because I really do understand it. Is it agreeable to the council that we maybe push these into committee for further review and maybe that's the answer to this?

>> Could --

>> Mayor Adler: Ms. Houston.

>> Houston: I just have a quick question. Have these already been done and this is to authorize the rebate?

>> Correct. And one of the concerns we have to delay further is we have a set process, and it is to go

through the rmcu -- euc --

>> Houston: I have know idea what you just said. Rfc --

>> Precommissions for authorization to spend prior to coming to counsel. Our concerns from a customer satisfaction aspect is they follow the program as it's established right now. Our concerns would be if we said there's going to be a further delay even though you made this investment, we really can't provide it until we have final council authorization, it just would add to those already predominant discussions that you were referencing earlier.

>> Houston: So we could in fact -- on Thursday go ahead and authorize these.

>> Correct.

>> Houston: And then work with Austin energy about concerns that we have going forward from here?

>> I think, yes, that would be great. Because if there's some different things that we have, we can get the issues on the table and get those resolved verses having a customer in the middle.

>> Houston: Okay, thank you.

>> Mayor Adler: Member Renteria.

>> Renteria: I have on item 2 I have some concerns because that's a new business that just moved into that. It's a multiunit like a small offices all the way around.

[9:58:27 AM]

Why are they getting a solar rebate? I mean, you would think that if a business was to move into a facility, I don't know, do they own this building? How do you determine how much for this -- that y'all have to offer in rebate to this business.

>> I'm not sure if they have a long-term lease or owning their space in that building. That isn't part of the requirements of the city. Presumably if they're making this long-term investment in solar I would assume they also have a long-term lease in that area to go with it. The beauty of solar once it goes up that power is being produced regardless of who is in the building. If they do turn over, move out of that space, the next lessor or the building owner will benefit from that solar.

>> Renteria: We actually give a subsidy to the owner of the building, even though --

>> In this case it's going to the hops and grains.

>> Renteria: That's correct, because he owns the building, nine guy has the lease.

>> Yeah, so if the informant is going to -- at this point, hops and grain, who is the -- I'm not sure if they're a lessor or own their space within that, but they will receive this performance based informant. Again on the commercial side the beautiful thing it's paid over time as it produces. If hops and grain for whatever reason leaves that space and leaves behind the solar panels on the roof, which they would do, whoever takes over that electric account after them would benefit from these informants because it's attached to their meter and that production is benefiting them because it's reducing their electric bills and they would get this informant.

>> Mayor Adler: Councilmember Casar.

>> Casar: My preference would be to not postpone any of these items but in particular items 3 and 4 I think are really critical. While I welcome a conversation about affordability and distributed solar and making sure that distributed solar and local solar benefits those that need it the most, I think item 3 is a perfect example of people who would benefit greatly from this, that the settlement homes serves children all all over the city, happens to be in district 4 but whether it was in 1 or 10 I would think this was important we move forward with haste.

[10:00:41 AM]

Their mission is to serve children and families with severe history of trauma, abuse, neglect. Item 4 is for

Austin community college and the highway campus moving forward with their expansion. I think it's a critical asset for the community and, you know, in this case the rebate is only covering 1-10th of 1% of the \$70 million in improvements they're making to the old mall space so I think it really is to our benefit that we participate in the small way and follow up on our agreement and promise

>> So while my preference is not to delay any of these items, I think in particular item 3 and 4 are critical for our city.

>> Mayor Adler: I tend to agree. I think when we look at these items we're pulling that are already in the process, we need to take a look at, one, I think it's good that we pull things that we don't understand or that we have questions about, and when we do pull them I think the question we need to ask ourselves are do we need to stop the item in order to have the policy conversation or should we proceed with the policy conversation and let the item move forward. There are a lot of things that we look at that we may not know, but in some instances we should probably let the process move forward but tag that policy item. There's something we ask of council and certainly Austin energy to take a look at the whole rebate program and how we do that. But generally speaking, I would also agree that where someone has entered into a process as an expectation of getting reimbursement is out of pocket for money, we should let that process move even as we tag the policy item. Ms. Kitchen, Ms. Tovo, then Ms. Gallo.

>> Kitchen: I was just going to echo that and suggest perhaps that council member Zimmerman and maybe council member troxclair, you could put forward an item that we could refer to the committee to actually look into this policy in greater detail.

[10:02:46 AM]

Because I think it would be important to look into the policy. I just concur that we should move this forward -- these forward.

>> Mayor Adler: We'll work with you. Your agenda is getting quite full with Austin energy at this point.

[Laughter]

>> We have a full deck.

>> Mayor Adler: Ms. Gallo? Ms. Tovo?

>> Tovo: There we go. Thank you. I wonder if you could give us just a couple lines about the rationale for doing multi-family -- for doing energy efficiency programs. I mean, we've talked about kilowatt hours and the savings and the council goals that have been adopted by -- you know, that the council has said, and I mean, I understand we're going to have a policy discussion about a few of these areas, whether those goals are set appropriately, and it sounds like whether the city's reimbursement rate or percentage of cost coverage is -- appropriate will be part of the policy discussion. You know from our previous council discussions about it that we also have a council resolution that asks you to track what the -- what the rental rates are at those apartments so that over time we can watch. One concern that I had and others shared was that in -- in -- in having a program that's aimed at multi-family properties, there was some cost required for those property owners to participate in multi-family properties, and I wanted to be very sure that they didn't turn around and pass that cost on to their tenants by raising their rent, so that in effect we have a program that's great, they receive a benefit from the city to participate in it, and instead of using that to lower the tenant's utility bills they recover the capital cost of those programs. So those are some ongoing things that I know -- of information you're tracking for us. But could you just give us a few lines of kind of high-level, why would we want as a city, as a utility, why do we want to invest in energy efficiency programs?

[10:04:53 AM]

>> Yes --

>> Tovo: When there are other kinds of utility, purchase power agreements, other kinds of costs.
>> I would love to. There are basically two fundamental reasons why we're in it, along with the community impact. At a very large scale it goes to reduce the overall cost of the generation portfolio that we need to provide our customers, because if customers use less, we don't have to purchase as much from the market. So it reduces our overall cost for all customers, specifically if they reduce that at the hottest day of the year or, you know, even the winter with electric heat, those create a time where ourselves as well as our neighbors in Texas also are all trying to use the same generation, so the costs go up, up to \$9,000 at those moments, is the current cap. The second item really gets into the community benefit, so if we can help customers reduce their overall usage, so it positions it so that they can reduce their energy bill, and that gets into more of the community aspect of looking at things on a global nature. So it's both on reducing the overall usage, which reduces our need to purchase, and then the second thing is as a community service reducing it from the individual customers. And we try to make sure through all of the different sectors that we represent each of the customers in those different programs.

>> Tovo: I appreciate that. I just don't want to kind of get so caught up in the kilowatt hours and the goals and what not that we lose sight of the whole rationale, which is to reduce the utility's cost because it's much cheaper than buying power on the market or investing in new power plants, and it has the potential of reducing people's bills if they live in more energy efficient spaces.

>> Correct.

>> Tovo: Thanks.

>> Mayor, council, Jeff -- customer relations in Austin energy. I wanted to point out given approximate Claire's questions about -- troxclair's question, in your packet there should be a booklet called customer energy solutions and if you refer your staff to the back especially, there's several helpful tables that will show you, for example, how many millions we spent on energy efficiency programs in the last fiscal year and the amount of savings associated with that in both the meeting megawatt hours but the dollar savings.

[10:07:21 AM]

I wanted to draw your attention to that document that was provided yesterday.

>> Mayor Adler: Ms. Gallo?

>> Gallo: I think the conversation about not stopping the progress of items that are already in play here is important, and what I think would be -- would also be helpful to know is are we going to be looking to approve rebate items from now on on all the council agendas? And if that's the case, then perhaps the discussion about rebates is going to be scheduled at one of the first council committee meetings that we have, so it sounds like that that is the case and that we would want to do that. So we will be back in touch with you as far as the specifics on that. But just, you know, off the top of my head what I see is there's a difference in the percentage of the cost that's involved that -- there's energy efficiency improvements that we rebate, so just really a discussion and we'll fine-tune that a little bit. But if you could plan on, I think our first meeting is on the 26th of this month, it sounds like that that will definitely need to be an agenda item for that discussion.

>> Mayor Adler: Especially since it was the council that set this policy, it went through the boards and commissions, the staff is implementing the policy as directed by us. As far as we are on a continuum, but if we want to change the policy, let's bring it back up as a policy issue and then we can, you know, investigate whether now it's time to change the policy, but until then these folks are just implementing what the council has told them to do. Who hasn't had a chance yet to speak? Ms. Pool, do you want to talk?

>> Pool: I wanted to thank the folks who are working on distributed solar for the work you've done over

the years. I have followed the issue for a very long time. I, in fact, have looked a number of times at putting panels on my roof. I'm fortunate to have shade to a level where I can't so far, although in the qualify for the -- I qualified for the panels and I was willing to make the investments.

[10:09:27 AM]

Back in the early 2000s it was a steep investment. With the drought I've been losing some of my canopy, which is really, really unfortunate, but it may make it possible for me to have solar panels on my roof. The key for me here is the fact that I can generate energy that could ultimately be shared with my neighbors in a community sharing grid situation that would lower the draw specifically off of the grid so that it would be a cost neutral, if not a payback to the system, and would spread the community involvement around at a really -- in a way that for me speaks to quality of life in Austin. So I thank you for the work that you're doing, and I think the point here is that previous councils have made this decision and they worked hard on crafting this policy with a lot of community input. I support the work of the previous councils in this matter and will continue to approve the rebates, in particular the ones that have been promised. I don't like breaking promises. And I will continue to work with Austin energy as vice chair of the Austin energy committee of council to help you forward the work that you're doing on behalf of the citizens of Austin. I think this is a really key policy issue, and I fully support the work that the city is doing and would actually encourage us to move more quickly. Thank you. Ms. Troxclair R.

>> Troxclair: I had a question about item 6. So it says -- and correct me if I'm wrong, but it looks like -- it says the total cost of the project is about \$196,000 and the rebate will be \$212,000, which is actually more than the cost of the project, 108% of the total cost of the project. Am I looking at those Numbers right?

>> We have the same complaint and that's why we actually pulled this because it looked like the rebate was bigger than the amount spent.

[10:11:30 AM]

>> The actual cost of work is 236,000, and 212 is the rebate, so -- the approximation is 90%, which is aligns with, like we said, a previous resolution.

>> Mayor Adler: What does it mean when it says the estimated total cost of the project is 196?

>> Where -- what document is that -- is that in the word document?

>> Yes.

>> It's a typo.

>> Looking at the rca and the additional background information sex. Section.

>> It almost looks like they reversed the Numbers. Or is it a typo?

>> Most likely a typo. And I apologize. We have many of these rcas, these requests for council actions, and perhaps in translating -- we'll get that fixed before Thursday.

>> Yes, my apologies.

>> Mayor Adler: You now have 11 additional eyes looking at all the Numbers.

[Laughter] Ms. Tovo.

>> Tovo: I just want to clarify -- I just want to clarify that the council set goals for energy efficiency, but the council did not set the reimbursement.

>> No, correct. Except for -- on a multi-family family it can be up to 90%.

>> Tovo: I don't believe that was a council action, because a year or so ago it used to be 100%, and then we started having a conversation about it and Austin energy said they were reducing it to 90%. I don't believe either of those were set by council. I think those were operational decisions that Austin energy made in an effort to reach the goals that had been set by council.

>> I can give you the --

>> If I may, I think generally that's correct. I think the policy decision had more to do with whether the city was, in fact, going to have a rebate program, because that obviously requires an expenditure of funds by Austin energy. So in terms of implementing that policy, that program of rebate program, I would imagine that much of the detail associated with how that gets implemented was established within -- within Austin energy.

[10:13:31 AM]

But it looks like she has more to offer in that regard.

>> There was an original resolution, 2013, 0523-069, and that raised the cap -- like you said, it set the cap before was 100%. This lowered it to 90% and we're trying to lower it even greater. But it did provide guidance that they wanted to have more investment in the multi-family area.

>> Tovo: Did it set it at -- I thank you for that clarification. I didn't remember that. Did it set that as the floor? I mean, was it making the change to say we're no longer doing 100% rebates, we're not going to do more than 90, but that doesn't say --

>> Up to 90%.

>> Tovo: Okay. Thanks. So again, I would just say to some extent that's an operational decision that's been made, and council member troxclair raised that question early on as a discussion point.

>> Mayor Adler: The council just set the cap.

>> Tovo: Right. So I imagine we'll be discussing that as part of our larger conversation.

>> Mayor Adler: Ms. Approxim Ms. Approxim ate Claire?

>> Troxclair: Thank you for your patience as we get -- as I get through my questions. So it sounds like -- I completely understand the program is already in place, you all are implementing to some extent what the council -- previous council has directed you to do. But if we're using the argument for -- that we have -- that we're -- we've already made this promise to these particular customers as a reason to continue with them in light of a future policy discussion, but it sounds like in your answer to council member Houston that in this process this is -- the final -- final approval for previous installation is always the first time that the council sees these, that the initial approval just goes through the boards and commissions?

>> It would come through -- the final approval comes through the council --

[10:15:33 AM]

>> Troxclair: No, I'm saying -- I'm asking, do we get input? Because -- so on future agendas, if we're always going to have approval of incentives and we say, oh, well, it's already been promised so we have to continue with it, but it doesn't sound like under the current process there is ever an opportunity for council to have a say in it. It sounds like the initial approval is from the boards and commissions, and by the time it gets to council the people have already -- the customers have already installed and are expecting this rebate.

>> It's more initially that the council has approved the budget for each of these programs and set the goals, and therefore we go forward with the goals. And when each of these within those programs exceed council limit, then we bring them to council. And the commissions prior to the council. The question here is do we delay -- there's a customer program established. These people have followed the process associated with it. Do we delay it? Do we say that we're -- we're holding all programs going forward? We just would need a clear direction with which ever way we decide to go.

>> Troxclair: Okay. So under the current process if we're setting a policy decision that we're going to follow through on previous promises, we have to change -- change the policy overall before -- before we would have an input earlier in this process. Okay. And so if we are -- oh, I heard -- and I heard this at our

first work session too when we talked about Austin energy issues, and I am genuinely curious if we have a benchmark for this, but the -- one of the arguments in favor of these programs is that it's customers who wouldn't otherwise install or invest in energy efficiency. Do we have a bar? How is that determined whether or not they would -- a customer would install energy efficiency, you know, tools without an incentive?

[10:17:36 AM]

>> There's all kinds of methodologies. There's been studies nationally that set basically free ridership. We send out follow-up surveys. We do ask questions. It's up to the customer to provide us that input on whether this pushed them over to the edge, and of course 90% of the time getting additional money, they're going to say yes, that that was why they made that investment.

>> Troxclair: Okay. I mean, I can understand if 90% of the project is being covered that that would be a reason, so I don't know if it -- if that also depends on whether we're covering 10% of the cost of the project, 90% of the cost of the project. But I would -- I have heard that a couple times and so I would be curious in seeing the -- the studies or the information that you have on that. And if we -- I guess switching topics now, if we are going to take up this issue at a -- at one of the first Austin energy committee hearings, I would -- I appreciate you pointing us -- my staff and myself to the back of that booklet, but I would love to see if it's easy for you to compile, just -- a simple itemized list, here's the customer, here's how much they received, here's the program, and whether it was solar or energy efficiency, just for the -- for this fiscal year and for maybe the previous fiscal year, if it's something that's easy to compile, so that I have a better understanding of how much money is --

>> Would it be possible to get -- there's been a lot of conversations on items that would be helpful. Could you maybe come up with a list and just send it to us? And that way we'll make sure we can address any of them that you might have.

>> Troxclair: Sure. And I know my staff has been working with someone, but we haven't been able to receive that information yet. So I'll -- I'll have them follow up again. And I just want to underscore, I really appreciate you all answering our questions, and I want to kind of underscore what I said about our discussion of the art in public places program. Me, at least myself asking questions is not a policy statement for or against anything. I am -- we are faced with a steep learning curve on all these issues, we're faced with affordability crisis in the city, so I am truly trying to understand the details of all these programs so that I can make informed policy decisions going forward.

[10:19:47 AM]

So I really appreciate you being so willing to answer those questions.

>> Mayor Adler: Okay. We're going to make our round back again. Mr. Zimmerman, Mr. Houston, Mr. Renteria and then Ms. Gallo. Okay, Ms. Houston, passes to Mr. Renteria.

>> Renteria: I just want to ask you a question. Do you offer this same kind of incentive to the homeowners when they want and they have a payback period of nine years?

>> Well, it -- for me -- the nine years might be for the solar aspect. For the energy efficiency it depends on what the measure is.

>> Renteria: So you go out and measure the residents also and provide an incentive?

>> Mm-hmm.

>> Mayor Adler: Ms. Houston?

>> Houston: Are these all bond dollars or federal dollars? Where do the rebates come from?

>> That's an excellent question. We have a specific line item on our bill that is for the customer benefits charge that was specifically slated for both the energy efficiency component as well as cap. The

customer assistance program. And so that's a part of everybody's bill and it's a line item that you can review from each customer's perspective.

>> So about how much is that line item on an average person's bill?

>> We can get that breakdown for you in terms of the calculations, council member, but they are local dollars and that's where the budget comes from that we're able to spend. We spend about 13 million on energy efficiency and probably close to 8 million on solar.

>> Houston: Thank you.

>> You bet. Mr. Zimmerma N?

>> Zimmerman: I'd like to get our attention back to what's on the agenda. I'm looking at agenda item no. 2, and the section at the bottom that says additional backup information. And I'd like to go down to the third paragraph that says, the pbi, the performance based incentive for the project is like 9 cents per kilowatt hour for ten years.

[10:21:52 AM]

And the other Numbers here, it's talking about the 242 solar modules, 255 Watts, and associated inverters at 97.5%. So what I want to say to my colleagues here and this is very important for my colleagues to understand, this is sales speak, because, in fact, the 97.5, that's talking about the DC current, DC voltages is what solar panels produce. They produce DC. That can't be used. So it has to go through an inverter to convert it to ac and that is the most efficient part of the conversion process. What's not efficient is two things. The conversion of photovoltaic light, energy, by the solar panels themselves, and that number is missing. And it's a very important number. And it's going to be probably somewhere between 15% maybe to 19% of the efficiency of converting photovoltaic energy into DC current. So that number is missing. And that number doesn't look impressive. Okay. And the other thing -- way I'm being sold is I'm being told about the trees it's going to save, 69 acres of forest, 119,000 miles, ten cars, 59 tons of carbon dioxide and so on, dot dot dot. So the benefits are being told to me, but the Numbers really don't add up because what happens here, if your solar panel is rated at 255 Watts, what does it actually produce installed on the roof? Because there is an answer to that -- technical answer to that question. It's about 70 to 80%. So in other words, when you have a design of 255, that's its maximum production at peak conditions, 59 degrees fahrenheit, whatever the Numbers are that it's rated at, it has a peak design, right, of what it's going to produce, sun shining brightly at 12:00 noon, all these ideal conditions. And so the Numbers here are based on an idealism that's not real, and the 9 cents per kilowatt hour -- quickly, I have a question here.

[10:23:57 AM]

There were two schools of thought on solar. One of them was to replace the power -- or give credit for the power close to the retail rate, and the other one was at the cost of replacement, so in other words, what I can buy the power from off the grid. So can you talk a little bit about what's happening here as far as what is Austin energy paying to pull Austin energy off the grid on the wholesale market versus what they're paying a solar producer.

>> So in terms of that math, so, you know, the ultimate number like you're saying is that the actual power that comes out of it. So on a commercial incentive we only pay for the power that's produced which is that final kwh, kilowatt hours number. So the 9 cents for the pbi, again, that's an incentive level, as opposed to what they actually save on their bills and that's what's determined by their bill structure. So most of these incentives on these larger commercial systems, they're on a commercial rate and so they're paying somewhere around the range of 6 cents per kilowatt hour that they use on-site, so when they produce a solo kilowatt hour behind the meter they're producing what they buy from the grid at 6

cents a kilowatt hour. They get this 9 cents for the first years on top of that which brings down their payback into a reasonable area a business will be interested in installing solar as opposed to making some other investment.

>> Zimmerman: Right, but the makeup has to come from other ratepayers.

>> It does.

>> Who can't afford solar in their homes. This is a transfer of wealth from people who have enough money to afford the up-front cost for the rebates, right? Because you don't get rebated everything. You have to have some money you can put in. Then you can get a rebate. A lot of our poorer residents' businesses they simply can't afford it. So it's a transfer of wealth from those who have a lot of money, can afford the up-front investment, then get a rebate. But the other ratepayers they can't afford it.

>> And those Numbers you're pointing to, the feel-good Numbers at the end, those are the community benefits to it, and that's why those Numbers are there.

[10:25:59 AM]

I'm happy, I'd love to hear feedback if there's other things you want to see in the rca --

>> Zimmerman: Yes, somebody has to pay for this and what I keep seeing in these policies discussions and decisions is benefits benefits benefits, not the cost to the people who are paying, and we have a lot of people being priced out of Austin with high utility bills. Those are the guys that are paying. They're not on here.

>> Mayor Adler: Any further comment? Ms. Gallo.

>> Gallo: So I'm hearing lots of good discussion. My suggestion would be that we will post on the message board a request for questions and information that other council members would like city staff to present to us at our first meeting on the 26th, and we'll try to get that all compiled and to the department so that you have some time to address that and hopefully be able to get the answers back to us prior to the meeting, so we'll have a chance to review that and then we can have the discussion. But I think given -- I'm hearing lots of good questions and lots of good policy discussion and fine-tuning that to some specific areas, specific questions, we'd like to get back. But we'll post that on the message board, give everyone a chance to kind of weigh in on what you'd like to talk about and get answers on and then carry it forward that way. Thank you.

>> Mayor Adler: That would be very helpful. Thank you. Are we okay with moving to item 10? Item 10 was pulled by Ms. Gallo.

>> Gallo: This was pulled, and we have some questions that were on question and answer that both show as pending, just some specific information about this contractor. I did have one question, though, because -- and I'm combining the discussion on 10 and 11 together, on -- if you'd look on your backup materials on 11, the last page, which is the fiscal note, it shows that the total for the initial amount of 33,000,500 plus the extensions, it looks like that the total of that would be 4,000,500.

[10:28:13 AM]

And under analysis the question that I had was, it says funding in the amount of 5,000,500 is available in the fiscal year 14-15, and 15-16, capital budget of the public works department. So my question is, are we approving with this item for an amount that would be included in next year's budget cycle, which we have not addressed or voted on yet?

>> The contract value that's being requested is a 3 1/2 million dollars. The number in the backup is an available funding amount. That's not included in the contract. So there's actually a mistake in the backup. The actual contract amount and the authorization we're asking for is 3 1/2 million dollars.

>> Gallo: Okay. So the --

>> The fiscal information is contract.
>> The contract amount will be 3.5 and we'll work to get a revised fiscal note put into the system as backup here in the next day or so.
>> Gallo: That was just a little confusing to us.
>> Understandably.
>> We did have questions about the contractor. If those could be answered prior to our Thursday meeting perhaps we wouldn't have to pull it for discussion.
>> Yeah, we're working on the responses. We got those questions late yesterday, so you'll have those today.
>> And one of the things our office is going to start trying to do is when we have questions for the work session we'll try to post them on question and answer, hopefully a little more promptly, as soon as we get the agenda, so that staff could have a chance to answer those or at least be prepared for the questions at our meeting with a little bit more time for staff.
>> Of course. Thank you.
>> Gallo: You're welcome.
>> Mayor Adler: Okay, that any other questions on 11 or -- I'm sorry. Item 10.
>> I have a question.
>> Mayor Adler: Yes, Mr. Zimmerman.
>> Zimmerman: I want to refer you to the back side of this agenda item note. This is common form here, and on the back at the top it's talking about an indefinite delivery, indefinite quantity contract.

[10:30:13 AM]

>> Mm-hmm.
>> Zimmerman: Okay. So I've worked in a lot of companies, big and small, and when I see this it kind of makes my head explode because I said, now, I don't know when I'm going to get it and I don't know how much I'm going to get, but I'm still going to pay millions of dollars. I would be fired if I even brought up that idea. So help me out. I really need some help on this.
>> We -- we progress -- Howard Lazarus, public works director. Apologize for not doing that before. We do contract work using an indefinite delivery indefinite quantity approach, it provides the best value to the city. We provide an estimated quantity and work locations when the -- when the solicitation is put out for bid. That allows us to get essentially a unit cost. The format -- the form of agreement allows the city maximum flexibility in terms of where we work and how we work. We only pay for work performed. There's no guaranteed minimum in the contract. So that if for some reason something happens where a sidewalk at a specified location can't be put in, we have the ability to go back to the prioritization and pick an alternative location where we can still do work. The advantage to the idiq process, there are multiple advantages. One is the flexibility I just mentioned. The other is we bid the work off of standard city details so that we have an approved standard design that we use, and then we have an engineer in the field, and it saves us probably a good 15 to 20% of the cost of work because we're not producing a detailed set of specifications when we go out for work, we have a licensed engineer in the field who can make the adaptations. And again, if there's a change, one of the things that hurts when you have a change to a fixed price contract, is you're then negotiating a change in a noncompetitive environment. Here we have a unit price fixed that has been competitively bid and we can then adjust the work. The other thing that happens is you have differences in quantities.

[10:32:15 AM]

You'll estimate how the -- the length of a particular project to build the cost, but it may be less than that,

so we can then adjust the quantities based upon having an inspector in the field.

>> Zimmerman: Okay. So I've put together engineering specifications for some pretty highly technical work, and the common sense on it is that the less parameters you put around an engineering project, the more uncertainty that it entails, and if there's more uncertainty, I have to charge more. If I'm a contractor and I'm responsible for getting this work done and there's flexibility in it, and it's not carefully specified, I have to raise the price, because I'm assuming uncertainties about what may change, so I have to build in additional margin to take care of uncertainties, because things aren't accurately described.

>> But they are accurately described because we do have a standard specification that we use, and, you know, sidewalks are pretty standard reproducible product that you put out in the field. The only adaptations are for site conditions, and most -- these are built in the right-of-way, there's very little that is unexpected. There are allowances put in the contract for things like retaining walls and traffic controls and other things that do vary, but the pricing that we get is favorable. It's a standard detail. It's repetitive work. So getting a unit cost on a per-square-foot basis is in the city's interest.

>> Zimmerman: So site conditions, in other words, if I need to put a ramp here at the corner of a busy intersection downtown or if I have to put a ramp at an intersection in my neighborhood where there's no traffic and almost nobody goes, there's a huge difference, right, in the complexity of the work, if my site is in a busy crowded area or if it's relatively isolated.

[10:34:16 AM]

So anyway, I'll have to study this some more. I just want to raise some flags on it. I just can't make sense of it.

(Indiscernib

(indiscernib LE) Any further comments on item 10? Any comments --

>> Casar: Mayor, my staff did get a chance to take a look at the map of how our public works department is judging where there's urgent need for sidewalks and there's lots of urgent need but they did a great job of prioritizing and I identified places not just in my district but other districts where it really seemed very thought through and anecdotally it seemed right. So I am interested in digging deeper and really understanding how we're doing that prioritization but I was happy to see that we have that map and look forward to, you know, getting these sidewalks on the ground as soon as we can considering we're so far behind on our pedestrian safety and connectivity in the city. So thanks for you all's work.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: I'd also like to add that this is a -- an item that's of -- on the radar screen for the mobility committee. So sidewalks are huge for pedestrian mobility and for people with disabilities throughout the city, and I think that a discussion of where we're at and, you know, the work that the staff has done in prioritizing and then just how in the world are we going to deal with this, I think that's a very appropriate discussion for committee, for the mobility committee, and I look forward to really digging into that and perhaps bringing back some suggestions in conjunction with staff on that issue.

>> Mayor Adler: That would be great. Thank you. Anything else on item no. 10? Any comments on item no. 11? Ms. Gallo? I think that's related. Okay. Any other comments on 11? Okay. That then gets us to item no. 12.

[10:36:21 AM]

Mr. Casar.

>> Casar: And mayor, we pulled this item primarily to thank staff for working on the initiative, but I also

wanted it to be on the council's radar since so many folks have been concerned about and talking about how the city can partner with the school district, and so I wanted to get -- I know we're short on time, just to get a very brief description from -- from the city staff on what this partnership looks like and how the council should stay involved moving forward.

>> Good morning. I'm assistant director of the economic development department. Thank you, council member, for pulling this item. The city of Austin's economic development department in conjunction with the Leed applicant aid along with health & human services, Austin police department, have been working tirelessly to put this application together. This is just a designation. It's a very highly competitive designation, I believe this year there are only five designations that will come from hud. But it's been a great partnership to work with all these agencies to come together -- come together on common goals and just using the resources and plans that we already have in existence. But we plan to -- if the designation comes to inform our public/private partners on the benefits of having this designation, that if you're applying for federal grants you can get more points on scoring on your application. So we look forward to -- again, this will be our second application. Last time we took the lead, but we felt that aid, because of the synergy in the school districts, in the communities, would be a better lead applicant.

>> Casar: And can you mention anyplace where you would like to see this council involved or city -- or participation of citizens engaged through the -- on the city's side on -- if we do get the designation, if there's -- what sort of participation would benefit a partnership, if -- as far as council members getting involved or constituents?

[10:38:33 AM]

>> Just to keep encouraging your local departments, such as Austin police department, to look for opportunities to reduce crime for economic development different districts need more businesses, and we can encourage and look for more grant opportunities in those areas.

>> Mayor Adler: Ms. Garza?

>> Garza: I noticed in the backup it refers to that all Austin zone promise partners commit to one of the things is participate in the regular meetings of the apz, Austin promise zone steering committee. Would those be council members? Would those be someone that we pick from the community members that are on the steering committee?

>> Community members can be involved as well as city staff, so it wouldn't just -- we would look for all ideas in terms of bettering district or communities. So it's not just limited to city staff, but we do look for heavy public involvement.

>> Mayor Adler: Ms. Houston?

>> Houston: I want to thank council member Casar for pulling this as well because I have some questions. This is a huge footprint, it's absolutely a huge footprint, and that coordination of all the social service entities and the public service entities that you reference, I'm not sure how that's going to work. And so I need some conversation about how would all these entities -- how will -- who will coordinate that, when will you all get together? How will be public be engaged?

>> Once the designation is received we will then start planning on the best use within each district, because what is good for one district may not be the best fit for another district. For example, more jobs, more help opportunities in a district north may not be applicable in a district that's south.

[10:40:40 AM]

So we would definitely work with the community on what is it you need to bring up the -- reduce the unemployment, other health disparities that could be in the community.

>> Houston: One last thing is of course the rosewood choice grant is in district 1 so I'm familiar with how

grants are written, and I'm always amazed that we are continuing to write deficit model grants instead of asset-based grants, and so that makes this whole area look like it's high poverty, high crime, where there are no assets there. And I don't know -- does the federal government require you to write deficit model grants to prove up that you've got high crime? That's sad. And so you're only responding to the grant in order to get the designation. What that does to the people, it says that we are unworthy because we're always saying that you live in -- you know, your own negative kinds of things, and I would like to see us look at assets and how do we build assets in communities rather than from that deficit model. And -- because what tends to happen is that once you get those designations, then -- then you follow that path. You don't then switch to say, we can uplift these people, and that's -- I mean, this goes from your area, my area, all the way across --

>> Greg's --

>> Houston: Greg's, yes. And so I see it as kind of an overwhelming opportunity to do good, and so I wish you all great success, but again, we have good things going on in our areas and that deficit model just doesn't really work for me. Thank you.

>> Thank you.

>> Mayor Adler: So this is a hud designation that we're applying for?

[10:42:43 AM]

>> Yes.

>> Mayor Adler: If it's helpful for those of us that have connections into the administration or into hud --

>> Houston: I can barely hear you, sir.

>> Mayor Adler: If it's helpful, those of us that might have connections into the administration or into hud in terms of helping with an application like this relating to Mr. Casar's question, let us know.

>> Will do. Will do.

>> Mayor Adler: Ms. Tovo.

>> Tovo: So I thought I remembered that last time there were promise Zones designated, there was a particular funding stream for a promise zone application, so it doesn't -- I'm not seeing that. I see the grants that are the grants -- the current list of opportunities on the back, but are there no longer specifically designated promise zone grants?

>> No, not at this time. This is the designation. Then if you apply for a particular grant you get an additional point.

>> Tovo: I see. Okay. I did get a question from one community member. I'm trying to understand the question -- trying to understand the question. I think the question was about the process of application. It sounded like aids, as she understood it -- had deferred the decision to the joint subcommittee. Are you aware of what aid -- where is aid? I assume that we're moving forward hand in hand with aid based on a discussion I had last week, but I guess I just want to confirm that after receiving this note from the community member.

>> Hi, beanie foster, administrative supervisor of partnerships in the office of innovation and development at aid.

[10:44:53 AM]

Yes, the aids board, when the mou came across at the time lacked some information, wanted to know more. They were supportive of promise zone in general. The key issue that was raised was regarding some projects that are ongoing currently that are -- that are already going on within that geographic zone. But it just raised more questions about some of the elements, like affordable housing, where do we stand, how does all this work. So in order to hear a little more about that they did defer to the joint

subcommittees, where we would be able to present about this opportunity and answer questions in a more thorough fashion, and then the joint subcommittee could make that recommendation.

>> Tovo: And when you say the joint subcommittee are you talking about the joint subcommittee of the city, county and school district?

>> Yes.

>> Tovo: So at the I think it's March or April meeting there will be a presentation about that, but aid is supportive of what we've got on our agenda?

>> Yes.

>> Tovo: On Thursday?

>> There was not an issue with the promise zone, and, you know, once again, there was rosewood choice was brought up as -- and since then we've actually had some conversations where there's just been a little more sharing of information.

>> Tovo: Great.

>> -- About that, and so there's, you know, a positive forward movement with it, but this will be -- yeah, the joint subcommittee meeting will be an opportunity for council members and county and district board members, especially with so many new people coming in, to just be informed about this and ask any questions.

>> Tovo: Okay. So I think I understand the distinction now. Thank you. So what we've got on our agenda is just the designation.

[10:46:56 AM]

The memorandum of understanding, we're not entering into a memorandum of understanding at this point. That was what the board deferred to the joint subcommittee for presentation.

>> Yes.

>> Tovo: Okay. Thank you so much.

>> Thank you.

>> Mayor Adler: Ms. Houston?

>> Houston: One other question. Thank you so much for being here today. Is there a deadline on when this -- or has the application already been submitted?

>> The application was submitted in November, November 21 was the deadline. So what we've been doing since as there have been questions raised about promise zone, is showing up and sharing the fact sheet and the facts about this initiative. No projects have been -- there's no forward movement currently other than us sharing with community members and groups to try to be as inclusive as possible and make sure people are informed so if we do get the designation, we can really hit the ground running and then invite all the right people to the table to start talking about how will this move forward.

>> Houston: Okay, so just one more question because I'm always interested in how grants are developed for the benefit of the people and the people are not participating. So was the grant developed from this group of stakeholders? I'm talking mainly about social service entities and police, or was there some community engagement up front to feed into the grant. With the rosewood choice the grant was written, submitted and funded before the community had that information, so I'm just -- where does -- you don't get the community engaged until after you get the designation. Is that what I'm hearing?

>> Well, we're engaging the community now --

>> Houston: But the grant has already been submitted.

>> Right. And we did start in the process of applying to try to get the right agencies at the table who would be required in order to make this possible. We pulled from existing community plans, so no new goals or initiatives were created.

[10:49:01 AM]

We just merged those at a high level from plans like imagine Austin that have included a lot of residential engagement, the early childhood council and various community plans that have. So that was the strategy in order to turn that around in a few weeks, but basically what we proposed was a framework for how decisions would be made that starts with residential engagement. So before we would move forward on any project that leverages the promise zone designation, there would be an expectation that residents are involved.

>> Houston: Thank you again. And I just want to say to my colleagues that as I've lived in this identified once again community that's got high crime and high poverty and all other kind of negative things associated with that, the people in my community get fatigued with having to engage so many times on so many various -- it feels like we're in -- one person said it feels like we're in Fallujah, and we're being shot at all the time, because the engagement is not coordinated. And so we've got rosewood choice going. Now we've got to engage that. And people work. They are not -- don't have the luxury of being able to take off to do all this community engagement stuff. And I just want to remind people that everybody doesn't have that kind of ability to take off and get engaged whenever we policy makers decide we want them to be engaged. And I don't know how -- I don't know what kind of policy issue that is, but they're getting engagement fatigue, because we're doing it in such a sporadic manner. So I just want people to realize that when you're working two jobs, a single parent or -- you know, or have four children and you've got two parents, it's hard to be constant -- constantly respond to these engagement requests.

[10:51:07 AM]

>> Mayor Adler: And my hope would be as we're identifying these policy issues and things that we want to talk about and finding the right place to make sure the ball doesn't get dropped, that the engagement task force that we've set up would make sure that it addresses that issue specifically. Mr. Zimmerman?

>> Zimmerman: Council member Houston I appreciate those remarks but I think another thing goes into this that needs to be brought up. There are people that have fatigue because they have shown up for these events in the past. They've given their comments. The people that have lived in their community for decades, and they provide that feedback, and then it's ignored. That's how you get fatigue as well. They're just not going to show up anymore once they get treated like that.

>> Mayor Adler: Okay. Any other comments here with respect to this item 12? That then gets us to item 13. Ms. Kitchen?

>> Kitchen: I had a question. The backup has a schedule for council agendas, and so my request was that we indicate on these meeting dates the ones that are dedicated to zoning. There is language in the additional backup that -- you know, that includes the rotation that we had talked about, which was, you know, the zoning city council meeting being the second one of the month with the last one being reserved for Austin energy. But since what we're voting on is the actual schedule, I'd like to see that captured on the schedule. And it could be a matter of just, in parentheses next to the date, putting zoning or another column. It doesn't matter. I just would like to see it captured. Does that make sense?

>> Mayor Adler: Yeah, and it's something we would put primarily zoning so that we allow for the flex opportunities that we said we were building into those but so that 9 public --

[10:53:07 AM]

>> Kitchen: Yeah, and the one reason I consider that important, is I am hopeful, and of course we'll have

to see if it works, but I am hopeful putting zoning on a day that's dedicated to zoning, that will give us the bandwidth to actually look at these -- look at these items and discuss them in a better way. You know, I think that the discussion we had at the last city council meeting, and I learned a lot because I think I contributed to this, was sausage making in a way that we don't want to be doing. So I want to tell my colleagues that I think I learned from that and I won't be doing that in the future, but I would really like, I think, having work sessions that are dedicated to zoning -- not work sessions, city council meetings that are dedicated to zoning is important, and one of the things I hope we can work toward over time to the extent possible is bringing our amendments before the day of a city council meeting so we're not looking at amendments on the thedais for the first time so the -- I contributed to this the last time and I'll try not to do that in the future. But for the most part -- I got feedback from our last council meeting that people couldn't see our amendments, even though we put them up and were trying to see them. So I really think it's a better practice if we can work towards bringing our amendments the day before so they're posted and so people can see them, and I just want to commit to my colleagues that I'm going to try to do that in the future. So anyway, that's all I wanted to say on this.

>> Mayor?

>> Mayor Adler: Yes, Mr. Renteria.

>> Renteria: I'm kind of concerned on the Austin Austin city council meeting. Seems like we canceled the meeting on June 25?

>> If I may comment on that, why we did that is we're canceling that to replace it with an Austin energy council meeting. So this is the official city council calendar, so we actually have to cancel the fourth Thursday when you had a meeting for city council.

[10:55:17 AM]

Now we will replace that with the Austin energy council meeting.

>> Renteria: We decided we would take some zoning issues if they were to come up that day.

>> That probably not on the third Thursday, because that's a council committee meeting. I think what we decided is the other meetings if you had to cancel or postpone a zoning item, we'd take that zoning issue in the first or the third Thursday of the month.

>> Renteria: Is there such a big gap in between?

>> There is. If you postpone a zoning item it would be the next month, so that's why we said there may be some exceptions when you all postpone a zoning item, you may want to take it up at the next city council meeting that isn't a primary zoning meeting. So I think we're going to learn and flex through this. I think the mayor said it well. It's primarily the second Thursday of the month will be reserved for zoning. There may be other issues there. Primarily the other meetings are reserved for other things. There may be some zoning items on those. So we'll -- we'll make it work.

>> Renteria: Okay. Thank you.

>> Mayor Adler: Okay. Ms. Gallo?

>> Gallo: Council, mayor pro tem tovo mentioned about the April 9 meeting having a conflict, and I see that we've eliminated the 23rd. And I know we eliminated that to do Austin energy, but I'm wondering if we ought to mirror what we're doing in March and April so that we don't have a conflict on the 9th.

>> Mayor Adler: And we asked them to take a look at the 9th and come back to us with --

>> So your options would be on that, we could decide that the 16th, for example, would be the zoning-only meeting, and then on the 23rd we would have an Austin energy council meeting plus a Normal council meeting for other items. We could still have the zoning meeting on the 9th but I think Ann would comment we have a conflict with 9 chambers that has been noticed -- with the chambers to people coming to the symposium, could flex but it would be a bit of an issue with that training. So those are the options you all have for the 9th and the 16th.

[10:57:24 AM]

>> Mayor Adler: Do we want to make that decision now? Yes?

>> I'm sorry, did you finish the --

>> Mayor Adler: Well, we're still on the question on the counter, and the issue is what do we do on the 9th. So the question is we can either -- we can pull down the meeting on the 9th so that it doesn't conflict with what the symposium is happening, and the question is where do we pick up that work, and your option, if we didn't want to interfere with the symposium, where would we pick up that work?

>> We would do the -- sure, we could do the 16th as the dedicated zoning meeting, which is the third Thursday, but we're still trying to flex to get into this. And then on the 23rd we can have a combination, as council member Gallo suggest, we're the 26th Austin energy and council. When we do that we'll try to make sure that there's not a whole -- try to flex some of the Normal council agenda items so you don't have a really long day that day. So that is an option. You can make the 16th your zoning meeting and then we'd have a combined Austin energy council committee and a city council meeting on April 23.

>> Mayor Adler: I'd be fine with that. Is the -- does the -- do you say on the 16th that it is -- do you say that on the 16th it's primarily zoning but allow for some flex if there's something that has to happen and then the one on the following week is primarily Austin energy but allow for other things -- in other words, both those meetings you could run a flex meeting.

>> Sue suggested another alternative. You could have it on April 9 in this room rather than the chambers, the Austin energy council meeting. So there's another option. You could do --

>> I think pry preference would be to keep the Austin energy on the 4th Thursday, just for consistency. Keep Austin energy on the 4th, even if we have to share --

>> Mayor Adler: So we can't take action now because this is the discussion of that item.

[10:59:27 AM]

But I would probably then say also let's just keep the 9th, the symposium, and then make the 16th -- my preference would be then zoning but flex for other things that have to be handled, and then on the following weekend it's Austin energy but with perhaps other things that can be handled --

>> To further confuse it I finally understood what sue was trying to tell me.

[Laughter] We could have on the 9th a city council meeting but at Austin energy's

>> That's where we've had some of the meetings before. It's less convenient for y'all and for the citizens but that is an option.

>> Mayor Adler: I would probably need to learn more about the symposium between now and Thursday to know where I would be on that, but that would be the issue that we're going to have to decide on Thursday. Ms. Tovo.

>> Tovo: Mayor, I just wanted -- I apologize for bringing this up earlier. I forgot this agenda item was on our agenda. But so there were two reasons why I suggested it. One was because of the logistics of having the rooms double booked, but the other was so that we can attend. If we want to, I think it's a very -- valuable for our staff and us to attend the open meetings discussion. So I would prefer the options that have been discussed that allow us the flexibility to attend that open meetings symposium.

>> Leave the ninth open then? Nine that would be my preference.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: Yes, that's fine. I would want to understand what time those things are on the 9. I'm not sure if we need the whole day set off, I know? Pardon?

>> It is all day and I'm happy to provide more information about that. We'll get you something this afternoon.

>> Mayor Adler: If you can give us that I'll feel better about voting on Thursday.
>> I'm curious if really the entire day is something that we need to block off. I'm happy to look at the agenda. I have another question.

[11:01:27 AM]

>> Mayor Adler: Go ahead. Still on the calendar.
>> Kitchen: I'm just trying to understand, September and December -- less ask about December 1. There's no meeting the first week in December.
>> Mayor Adler: That's correct.
>> Kitchen: Which is different -- what's the thinking there?
>> Mayor Adler: That wasn't scheduled on the original calendar so we just -- we haven't added a meeting to do that.
>> Kitchen: My thought, if we're going to keep with the three a month, I would add that one back. Because it's not contingent on the holidays as far as I can tell so I would add that one back. That way we can keep with our council zoning, council energy.
>> We will be here.
[Laughter]
>> Kitchen: Okay.
>> My question is do y'all want to be here?
>> Kitchen: Well, it's the first week in December. I would think that conflicts might be more the last part of December rather than the first week in December. The question I have is September.
>> September is a very challenge month.
>> Kitchen: I guess the idea there not having September 3 is there's so much budget things going on in the next week.
>> Yes.
>> Kitchen: Is that the thing?
>> Yes.
>> Kitchen: Okay.
>> Mayor Adler: Any other questions about the calendar? Okay. We'll go on then to item 14, which is the onion creek items. Anyone want to speak to thisness Ms. Garza, do you wanting to first?
>> Garza: Sure. First of all, I'll let my colleagues, mayor pro tem tovo and I have asked this to be 6:30 time certain on Thursday. I realize we have a short agenda, but I just thought it would be -- it was essential to have -- to give these families an opportunity to come and address the council and many work and have child care issues so we've asked for that 6:30 time certain, and I would appreciate if we could get as close to that 6:30 as possible rather than pushing it to the end of the agenda.

[11:03:39 AM]

So my -- this is in district 2, my office has spent a lot of time, this has been a big priority for us. And so I want to understand what's -- the new capitol what's --policy and what's being put forth for the 100 year. Is it the exact same as it was for the 25-year policy?
>> Mayor, councilmembers, Lorraine riser, officer of real estate. Councilmember, we're proposing to move forward with the same policy that we've used in the previous buyouts in this area.
>> Garza: Can you just describe how that process works?
>> Yes, ma'am. We start out -- we will have -- meet with the property owners and find out some information about them, about who is living in the household, what their financial situations are, what their personal needs are. We will also engage a third-party praiser who will go out and appraise the

properties. Once we receive the appraisals in the office, then the staff goes and finds houses that are on the market as of that time. And once we find a house that is similar in function as the house that they have, then we calculate a replacement housing payment for them if they're a homeowner and a rental assistant payment if they're a tenant. And then -- and that payment is calculated by the difference of what their praise appraised value is on their house and the cost to buy a new home. And then we will make an offer to the family based on that amount. They are not required to choose the home that we have picked to calculate their payment, but it is available to them if they should want to choose that home.

[11:05:46 AM]

And then they are left to find a home, and then we offer advisory services or other services as needed.

>> Garza: Can I keep asking questions?

>> Mayor Adler: If you'd like to.

>> Garza: And the moneys that been budgeted, the 60 million, does that include the entire package, my understanding was it included the real estate cost, the demolition costs --

>> Asbestos abatement, we have a consultant on board that is assisting us with -- because of the large number of homes point at one time it includes all the costs related to acquiring 240 homes, including appraisal fees, all the costs.

>> Garza: Okay. What is -- can you just describe, have people been satisfied with the offers that they've been given, to your knowledge?

>> For the most part, they've been satisfied. Usually we work through, if there's any issues that come up after we make the offer, we try to work through with the family, but we've been successful. So far we've -- I've made offers since 1999 and we've relocated 450 homes and families, and most of the time -- in fact after it's been said and done, I have not had anybody come back and say I was not satisfied -- satisfactorily relocated.

>> Garza: Okay. And that's what I've heard, is they just want a fair buyout offer, the majority of the feedback I've heard. Just as far as renters, do they get any relocation benefits with this program?

>> Yes, councilmember. The renters and tenants in a property actually have a couple of different things. First of all, we look at what rent they're paying now, and then we look in the market area and see what is available to lease in that area, and if there's a difference in the cost of what they're leasing in the floodplain in onion creek to leasing outside onion creek, then there is rental assistance payment that is allocated to the family.

[11:08:08 AM]

Also, the families are given a moving expense payment to help pay for the move.

>> Garza: Okay. All right. Those are all my questions. I just -- to my colleagues, I think earlier we were talking about when something is -- you know, the process has been started, we need to really move forward with that, and this process has been started. These -- a lot of these families have been in -- living in this area for a long time and I certainly believe it's a public safety issue, and we need to get these families out of harm's way so I would strongly encourage us to move forward on Thursday and get these families to a point where they can finally have some answers. Because so many of them in the 100-year floodplain, they've put their lives on hold and we've heard so many stories about -- and I myself, every time it rains, I'm checking the flood level, the water levels. So these families, it's really affected them and so I would encourage us to move forward with this recommendation on Thursday.

>> Mayor Adler: Ms. Garza, I want to take this turn now. First of all, thank you for your leadership on this issue. These folks are in your district and so obviously it's been a big, important issue for you. And I had

the opportunity to watch the town hall meeting that you had with the folks, and I thought that was real valuable as well. Real big, important issue for me too over the last year, in working with our joint constituents in this area. This particular relocation and how it was going to be calculated and how it was going to be done, obviously, has been a concern to a lot of the folks that were out there. Ms. Riser, having done a lot of these cases with you over the last 20 years, always being on the other side --

>> Yes, sir.

>> Mayor Adler: -- Of the table from the city, it actually feels good to be on this side, working with you. And I appreciate and I want to note I appreciate what staff has done with respect to the handling of these relocation and buyout claims.

[11:10:20 AM]

Just to review and to make sure that I understand and then consistent with the conversations that I've had with staff over the last month or month and a half, there was some concern that as we moved forward with these acquisition that's the standard for calculating the fair market value of the homes would somehow or another change, that there would be different rules that were applied to the valuation of the homes under the current buyouts verses the buyouts that had happened in the past, and my understanding is that the standard for determination of fair market value will be the same as it's been in the past.

>> Yes, mayor. That is correct.

>> Mayor Adler: Then there was the question of how do you make somebody whole when you're buying them out of their property? And my understanding is that in the past practice, consistent with the uniform relocation guidelines, that there are two calculations that the city has done in the past. The first is to figure out what the fair market value is of the property that is being acquired, a determination. And then there's a second analysis that done, independent of that first, which is to actually go out into the marketplace and identify, say, comparable housing that would be similar. And in doing that you actually take a look at how many people are living in the house you make sure it has the requisite number of bedrooms for the people living in the house. It's conceivable that you could end up with more bedrooms in the house being taken in order to ensure that everyone in the that's living in the house has that standard and measure of accommodation and you look at the family situation, in terms of whether there's an in-law that's living in the house or a mother that's living, a grandmother that's living in the house and you actually go out in the marketplace and identify comparable, safe alternative location.

[11:12:28 AM]

That is, in fact presently available. Oftentimes in that process you'll identify more than one that would be available; is that right?

>> Yes. We normally try to find three properties.

>> Mayor Adler: And then with respect to those three properties then, then if there is a spread or a difference between the fair market value of the house that's being acquired and the cost of having now to move out of that house into something that is comparable, then as part of the uniform guidelines, the federal guidelines with respect to that, that becomes then part of the relocation package, part of it, not all of it, but just part of it to make up that spread; is that correct.

>> That is correct.

>> Mayor Adler: And there were discussions or rumors that the city might be capping that payment for relocation at a \$25,000 limit or 31,000 or \$32,000 limit so therefore someone could conceivably be bought out of their home at its fair market value but still not have enough money in order to be able to find an alternate and be able to afford in that alternate location. But I understand from the presentation

that we're getting here today and the memos that we received, I think, last week, that the staff is going to go ahead and -- or program, the city going to go ahead with the program as set out in the uniform relocation guidelines to not cap that but to make up that spread as part of the relocation monies; is that right.

>> Yes, sir, that's correct.

>> Mayor Adler: So no caps or anything like that?

>> There is no caps.

>> Mayor Adler: Okay. That makes sense to me too because as you take someone out of their home, that only gets them halfway there.

>> Yes.

>> Mayor Adler: You have to actually get them in to another home. So I commend the staff. I commend councilmember Garza for the leadership that she has shown in this area, and I appreciate the responsiveness to the questions and concerns that my office had as well.

[11:14:33 AM]

So thank you very much. Further discussion on this item? Ms. Pool.

>> Pool: We had a floodplain presentation at our council meeting on Thursday that was really ably described and laid out for us by Kevin S. With watershed protection and I wanted to align our future decision making on approving zoning in floodplain situations with the circumstances surrounding onion creek. If we could roll back the world to when these neighborhoods were platted and approved, we -- I think we would all agree that we wouldn't have allowed them to happen. And I'd just like to mark that reality here today so that, going forward, when we have future developments that are proposed to be in a 25-year, 100-year floodplain, which was the case on Joe sayers avenue zoning case last week and looking at the situation here, that we don't put developer -- that we don't put development in front of future public safety and, frankly, the economics at the city level with the budget where we are in a position of having to pay reparations or buyouts when the inevitable happens on our watch or a future council's watch, I would just like to draw a straight line between onion creek to some existing and future floodplain zoning cases on a policy level for the council. Thanks.

>> Mayor Adler: Mr. Renteria, then Ms. Gallo.

>> Renteria: Yes. I just want to ask a question. Are you also going to be reaching out to the nonprofit corporations that built friendly housing and the ones that have rental houses available?

[11:16:38 AM]

>> We have actually worked closely with them, habitat for humanities and the different groups out there, to see if there's anything available. And they've indicated that they are building some houses and they will make sure that we're aware and if we can coordinate, we will. Again, each family gets to choose where they relocate. We can only make the properties available to them.

>> Renteria: Correct, yeah. I really hope that you do reach out because I'm more than willing to be helping out, helping you in the onion creek -- and the onion creek creek residents and the nonprofit groups in the future in case -- you know, I've cleaned some habitat homes and they build them very good.

>> Yes, sir.

>> Renteria: I'd be more than willing to be helping with y'all's department if y'all need my assistance.

>> Thank you, councilmember.

>> Mayor Adler: Ms. Gallo, then Ms. Tovo.

>> Gallo: Thank you for all of your work on this, and I'm going to have to phrase what I say very carefully

because I don't want it taken the wrong way but I think this discussion is a huge policy discussion for this council for the future. My -- and my heart absolutely goes out to all the families. My daughter is a news broadcaster and covered this story and it was absolutely tragic what these families went through. But as we talk about our policy for this area, everyone that is in a 100-year floodplain in the city of Austin is at risk for flooding. And if we are talking about a policy where we come in and we start purchasing homes that are in the 100-year floodplain, then we have to talk about the equity for everyone else that lives in this community that's within the city limits and I just feel like we're making a decision -- and I know this was something that the previous council talked about and moved forward on. I think as we talk about agreeing to that decision and continuing this process in a forward way, that we are setting a precedent for taking care of every other house that is in the floodplain.

[11:18:47 AM]

And I don't have any information. We ask a lot of questions out of our office, and I hope we get those answers before Thursday.

>> Yes, ma'am, you will.

>> Gallo: What I'm saying is not directed as uncaring towards this community, but it's saying that we need to take that caring towards every community in this town and every property if we choose to start buying out. It seems to me that the city has a responsibility for flood control, and watershed funding should be spent taking care of those issues so that it benefits all neighborhoods. And as flood Zones change, which they do, as we increase density in our community, then I think the city does have the responsibility for mitigating that potential concern and risk for the people that live here. So, once again, this is not -- these are not comments to say my heart does not go out for these families. But it's to say I think we need to have a very strong policy discussion about how we treat everyone else in this community that is in the 100-year floodplain. So thank you.

>> Mayor Adler: Mr. Zimmerman -- no, I'm sorry, Ms. Tovo and then Mr. Zimmerman.

>> Tovo: I just had a quick question, and that is as you work with the families who were renting, are you finding that they're able to locate properties within the same area, within the same school attendance zone? What have the results been like?

>> If they choose to relocate in that area, then there is substantial -- enough funding for them to be able to do that. And so some funding -- some of the families choose to relocate outside of that area for fear of a flood. You know, it's just a personal choice.

>> Tovo: I understand that. I was really asking about availability. What is the availability like --

>> For rental there is a few available homes, but housing in the onion creek neighborhood itself is limited because of the amount of floodplain that is in that area.

[11:20:53 AM]

>> Tovo: Sure. I guess I'm just wondering what the basket will be on the schools in that area if you see many families who are unable to stay. There's -- obviously there's not an easy solution.

>> Right.

>> Tovo: I know that was a priority for the staff who are working with them, if they chose to stay within that attendance zone, to try to locate other housing within there so their children could stay in the same schools.

>> That is one of the criteria we use when we do the first questionnaire with the families, we sit down and meet with them to find out the personal circumstances. We ask questions about school district and we also ask for medical needs and doctors and things like that. So that is part of our process.

>> Tovo: Well, thank you. I know this has been a very long process that's involved a lot of our city staff,

and I just thank you all for your ongoing efforts. And I too want to add my thanks to councilmember Garza on this issue on taking it forward.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Yes. Kind of picking up on what councilmember Gallo said, well, first I'm going to presume that \$6 million is probably a fraction of the money that will be required to fix the flooding problem? To carve out, you know, new waterways and to make those homes safe. I'm going to make that presumption. Has anybody studied that, as to how much money it would take to get the flood level down?

>> Yes, watershed protection is here and they can respond to that.

>> Zimmerman: Terrific. Then I have a follow-up question after that.

>> Let's see. Okay. Good morning, council, mayor, Jose, assistant director with the watershed protection department. The watershed protection department does have an active master plan and we have looked at creek flood situations across the city. This area currently ranks as our number one flood priority area.

[11:22:57 AM]

Number do would be Williamson creek already that will be coming to council soon. Yes, we have looked at all the structural solutions. We've done the engineering, the size of cannon lake, for example, that was not feasible and environmentally sensitive lands in hays county. We've also looked at channellization flood walls, diversion channels, diversion tunnels. It just was not feasible for the level of river flooding that's evident here in onion creek.

>> Zimmerman: I'm glad you did that work. Ip just wanted to hear that from you. That's terrific. Going back to what councilmember Gallo said, I hope there's additional concern, you know, around the city of what our policy is because I think we heard last week, are there not between five and 6,000 properties within the city that are in either 100-year floodplain or 25-year floodplain? Do you have that number.

>> That's correct.

>> Zimmerman: It's about five to 6,000. And so the question of precedence is just extremely important. Because we're only talking about 240 homes out of five to 6,000. So you can see where this concern comes from, if the policy is put in place that people have an expectation that they're going to -- that they could be bought out when they have a flood, doesn't that open us up to, I don't know, hundreds of millions, maybe even a billion dollars of potential liability and other people will say, hey, I want to get bought out. I'm in a 100-year floodplain, we have a very bad rain, I want to get bought out. How did we avoid assuming all that liability? If we, do I think the city should be allowed to vote on this, right? If the city is going to be obligated as a whole to take care of flood victims, I would say the city needs to vote on it. Or have they voted on it Al already?

>> Mayor Adler: I think part of the question is how do you prioritize because we have lots of homes in the floodplain, you can have a home that's in the floodplain that contains a greater or lesser degree of losing your life.

[11:25:08 AM]

In certain areas where the flash flood risk is greatest and there's an oxpo I think the risk might be greater and I think that's what's presented here. Last council made the decision to go ahead and pay these benefits. I'm happy that having made that decision, we're at least executing in a way that's fair, which is the question that's come to us. But I would be interested as well to have that analysis of looking at those five or 6,000 homes and figuring out what -- how many of those are actually facing the same kind of dire situation that these were. Further comment on this issue? Ms. Garza?

>> Garza: I appreciate the concern of setting precedent and I think we should have an equity discussion and I think if we have that discussion we'll quickly see how this part of town has not been treated equitably and has been neglected and have been told several times we're going to get the funding, we're waiting for the funding, and as Mr. Guerrero pointed out this is a number one priority. I'm worried as we keep having this policy and precedent discussions I'm worried that we think we have to set this one policy that applies to everything, and we don't. I mean, all these cases are very fact specific, and we'll be able to differentiate when another, you know, situation like this comes before us. So, yeah, this area has been waiting for a really long time, and I'm really honored to have the opportunity to represent them and hopefully move this forward.

>> Mayor Adler: Ms. Kitchen -- I'm sorry.

>> Sue Edwards, assistant city manager. One of the things I wanted to point out is we felt that Onion Creek was a very special situation. In having discussions with the law department, one of the things that we considered was treating everyone within this particular area the same.

[11:27:09 AM]

However, know that we are -- and because we use different pots of money for -- at different times, we just felt it was important that we treat them all equitably. However, we are going to be bringing you back a policy that will be a voluntary policy that we would recommend to you that does take into consideration a different way of funding since we will be using city money and the city money does not have the federal requirements and federal guidelines that go along with it. So we have had a lot of discussion about this, and we felt comfortable after speaking with the law department that to treat Onion Creek as we have treated them in the past, all of those residents the same, was the right way to go. However, we also have a concern, a very deliberate concern, about equity and the amount of money we have left to spend or the amount of money we might get moving forward, and we want to be sure that we can spend that money, spread it out as far as we can. So we will be bringing you a new policy recommendation in the near future.

>> Mayor Adler: Thank you. Ms. Kitchen.

>> Kitchen: I would like to support moving forward with this item because -- not only because, but it has been way, way too long. I support what councilmember Garza said, these families have waited I mean way past the time they should need to -- amount of uncertainty they've been subjected to, we need to move forward as quickly as possible. I do think that the questions being raised in terms of the policy are very important, and I'm interested in seeing the policy proposal that the staff will be bringing forward. But I would like to suggest that this be discussed in committee. Not this item, I think we need to move forward with this item, but the policy question and the proposal that the staff may be bringing forward should be discussed in committee.

[11:29:13 AM]

Because it's a huge issue and it's something we really need to vet and discuss and then bring back to the full council. So I would suggest that when the staff brings forward the proposal that I think you were talking about, that it not be placed on the council agenda, that it be sent to committee. Thank you.

>> Mayor Adler: Ms. Troxclair.

>> Troxclair: Can you tell us what role homeowners insurance plays in all this?

>> In this particular buyout right now, it does not play a role in it. And the reason for that is because most of the homes are repaired. I've actually looked at every appraisal and I've looked at every property from -- since the Halloween flood that we've done, and there's very few, I'd say 5%, that have not been repaired. So they've used their money that they've received from their homeowners insurance.

>> Mayor Adler: Ms. Houston.

>> Houston: I was going to ask a question about mitigation. Is the army corp of engineers able to help us with mitigating some of these priority areas to divert or move waters around so that they don't flood homes.

>> I don't want to be remiss, the corps of engineers is a partner in the onion creek project, the buyout project. They have been a significant partner, along with lcra and Travis county. In the future, as federal monies try up, that is in question, whether they can help us globally. Any more with some of the future flooding issues. We have made contact with them in the major project areas, such as bypass tunnels or significant areas like onion creek.

>> Houston: And thank you so much.

[11:31:13 AM]

One other question is -- I think I just forgot it.

[Laughter]

>> It happens to me.

>> Houston: Don't laugh.

[Laughter]

>> Houston: I'll compass come back.

>> Mayor Adler: We'll come back to you. Ms. Pool.

>> Pool: When you mentioned the corps of engineers it reminds me of what happened in New Orleans, Katrina. That was a corps of engineers project. They will come in, pour a lot of concrete, make a lot of tunnels and change the nature of parts of town that really are watersheds where water should naturally drain. Be very, very strategic and surgical in the use of corps of engineers and look at the plans very carefully because it is not a solution in many, many instances. Part of the reason why that part of Louisiana is sinking is because of the dams and the reservoirs that were built over decades by the corps in order to channellize the water and they've essentially ruined the wetlands that are so key to fishermen and fish and wildlife and folks who make their living off of the waterways in Louisiana. I throw that out there I worked for the national wildlife federation for a number of years and we have some hands-on experience with trying do reverse the negative effects on projects that were poorly designed and inadequately built. So what I would say is I think, again, we need to be really careful where the city approves plats and allows zoning in -- in particular in 25-year floodplains, which can you just rehearse for us, it's not the -- in a 100-year floodplain that every 100 years it will flood.

[11:33:15 AM]

It means that a 1% chance of a flood in a given year --

>> Yes, definition of a 100-year floodplain is in any given year it has a 1% chance of happening, that flood event.

>> Pool: Right. So a 25 would be?

>> 4%.

>> Pool: Right. Thanks.

>> Mayor Adler: Ms. Houston.

>> Houston: I remembered. When you prioritize the areas that need to be looked at, did you take into consideration the impact that density, that the increased density and impervious cover will have on how the creeks and waterways, beds are being utilized?

>> Yes. There's -- I'll take this opportunity to kind of explain that. We and the city of Austin regulate the 100h year fully developed floodplain. That is above the minimum requirements of the national flood

insurance program. So we in effect have a factor of safety when we lay out what lands need to remain free of development. There is the word density being thrown out. There is the word density being looked at and compact connecting the density of housing but that in no way translates to impervious cover levels. So I want to caution you if there is a confusion with that word "Density." We have always regulated the 100-year fully developed floodplain lands for -- to plan our drainage projects.

>> Houston: So that includes both density, whatever we call that, and impervious cover.

>> Impervious cover of the future zoning of the future land updream.

>> Houston: That's good information. Thank you.

>> Mayor Adler: Ms. Garza.

>> Garza: Quick question for acm -- sorry, sue, sue Edwards. The policy you were discussing, you were talk about -- you're not talking about -- that's going forward after this; is that correct?

[11:35:20 AM]

>> Yes, it is going forward.

>> Garza: Thank you.

>> Mayor Adler: Anything else on these items? We'll move forward then. The next two items are 17 and 18. They -- concern mud district. Ms. Gallo and I both pulled this item. I pulled it just because I wanted to hear what the mud policy was going back to 2011, whether this represented a change in that mud policy. It was the first time I had seen this and I just thought we'd get a real keep, brief, few minute description of what the mud policy was. Does that fit with you, Ms. Gallo?

>> My name is Virginia, I'm hear from the planning review and development department, planning department and review department and like you said in 2011 the city council adopted a new mud policy, took a look at things that had changed since 1984. It focused a lot on looking at the creation of muds because we had several mud applications that were in review at that point in time. The mud policy encourages careful consideration of district because they create a delay of annexation of those areas once the mud is created. Some of the things outlined in the mud policy, and I've included copies in the backup for each of these items for your reference, but look at the benefits to the city of creating a utility district versus the cost to the city of delaying that area as being part of the city's tax base.

[11:37:22 AM]

Does that kind of generally he help?

>> Mayor Adler: Generally helps.

[Laughter]

>> Mayor Adler: I'm not sure that I understood that. Does this represent a change in the policy?

>> No. The items before you this afternoon are a change to the adopted land plan. This mud sump field was created by the city in 2005, so what the consent agreement included was a land plan that focused entirely on commercial and industrial uses. There were no residential components to this land plan and so the applicant is asking that we amend the land plan to allow them to build a more mixed-use project, including single family and multifamily residential. So the application that's in the council backup in the zoning case that would go along with this and come forward at a future council date would allow those changes to the uses.

>> Mayor Adler: So the way that this -- relation to the zoning case this would enable them to proceed with the zoning case because now it would be allowed by the master plan, but it doesn't allow that use until -- unless and until there's a zoning case change?

>> So in the consent agreement, that's right. We have a land plan that's adopted kind of -- to be replaced some day by zoning. This one is currently zoned in a rural residential because it was a large

area, undeveloped, and in the ten years since the mud was created, the development -- I guess the market has changed and some of the city's goals changed and so we're look to go change the land plan, which would then allow the zoning case to move forward to allow the residential uses as part of this district.

>> Mayor Adler: Okay. And when we get presented with this kind -- so there should be a zoning case that comes. When the zoning case comes, will we treat that as it were a brand-new zoning case or in that conversation will people say I'm only doing now what is allowed by the change in the land use plan and in essence the debate on the appropriateness of the zoning has already occurred back then, meaning now?

[11:39:37 AM]

>> Well, the way that the consent agreement is structured is city staff would recommend zoning consistent with what council approved in the mud consent agreement. It's kind of like a chicken and egg, both things need to change to allow the residential uses to be built in this project.

>> Mayor Adler: Beshould be treating this as any other zoning case from a policy standpoint. Is that residential use appropriate zoning for this, even though the zoning case isn't before us, we should be treating this request that way.

>> That's right. The way it's posted on your agenda is for first reading only, which would allow the zoning case to go through its process and its reviews and boards and commissions. When it catches up we can put all the items on your agenda at the same time so you can consider both the amendments to the mud agreements as well as the zoning on the same day.

>> Mayor Adler: Okay. Ms. Gallo.

>> Gallo: So does the city's cost or obligation change with the change of use? So when we -- we're going from a commercial use to more of a residential or at least having more of a residential component, does that affect the city on what we have to provide or the cost to provide -- I'm sorry, I'm not very knowledgeable with any of this.

>> Currently this area is in the city's limited purpose jurisdiction so it benefits from having city zoning and building inspections and city code compliance to the area. The city doesn't provide full municipal services like the public safety and road maintenance until the area is annexed for full purposes. The developer will pay the expense for the infrastructure, the project, the roads, utilities and all those things, and then the county maintains those roads and the county provides those public safety services. So the city is not providing any of those things until the city full purpose an exes.

>> Gallo: So from a department evaluation standpoint, is there any change to the city's responsibility or cost in changing this to more of a residential component?

[11:41:48 AM]

>> No.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: I'm not going to get deeply involved in this because it's in the opposite end of the city from where I am, I'm representing northwest Austin but I probably have more mud experience than anybody else on the council. I'm going to point out something here, that the people at that are eventually going to be moving in and buying these properties, people that don't yet exist, we don't know who they are, where they're coming from, when they find out what we're considering doing, they're going to be very, very upset. And the reason is, I think you mentioned the property now is -- it's outside the corporate city limits. It's ex territorial jurisdiction, right?

>> Limited purpose. You have full purpose, your tax base, where you collect taxes and provide full

municipal services and limited services are voters are eligible to vote in -- they don't vote in bond elections --

>> Garza: As opposed to to the etj, that's right, so that's where the city gets the zoning power, zoning authority. My particular objection is the so-called limited district. So the strategic partnership agreement, I like to joke about that, that's the 800-pound gorilla there, basically the city goes in with unbelievable political and legal power and they tell the developer basically what they're going to have to do to get permission to develop. What's going to come out of this is eventually some limited district after the mud is formed, they pay for infrastructure, they charge taxes to the residents, they pay off the infrastructure, the city assumes it for free, without paying anything for it, and then here's the worst part, they form this limited district, which is an additional property tax, which other typical neighborhoods do not have, and that limited district is required to pay for park services and certain other things that the city is obligated to pay for. Now, we've got one of these things right now in the Anderson mill, there's an Anderson mill limited district and that came out of, I don't know, years and years of legal rangeling and arguing and fighting because Anderson mill did not want to be annexed.

[11:43:58 AM]

The annexation was forced on them and the limited district was put on top of the city property tax. And I think that these are -- they're terrible ideas. Again, I'm not going to fight this because it's not in my area. I've got plenty of other things to do. I just want to remind my colleagues that at some point years down the road people are going to be really, really angry when they figure out what happened here and they're going to be stuck with an additional property tax that other Austin neighborhoods don't have and it could end up in a lawsuit, you know, god only knows but it's just not a good idea for the future property owners.

>> Mayor Adler: Ms. Houston.

>> Houston: I'm sorry before you respond, Mr. Guernsey, can you tell us what district this is in?

>> Councilmember kitchen's district.

>> Mayor Adler: Mr. Guernsey.

>> Ray Guernsey, planning development review. I think when the council created the last policy for the muds in order to east some of the for those coming into full purpose, there's a provision that speaks to the [indiscernible] Tax rate would be approximate or greater than the city's tax rate and the limited district that we're talking about, a lot of times the mud board, when they set up, there's a -- let's say a higher level of standard that they would like to see within their mud district boundaries and so it's not necessarily forced upon them to have a limited district. The parks department can certainly come in, can take over control, but sometimes the muds actually like to have a higher level of service than you might find throughout the entire city of Austin. And so there's -- as I understand, there's an election that occurs after this to maintain or to create these limited district where they have enhanced services which might be parkland and the -- in the case that I think you're talking about. But I'm not aware the city is forcing them to actually have that limited district.

[11:46:02 AM]

>> Zimmerman: I need to answer that. So Mr. Guernsey, with all due respect, the local government code chapter 43 -- this will come up later so I'll give you a heads-up now, what's been happening with annexation is there are provisions in the law that say pretty specifically that a city is not allowed to an ex a mud unless it provides the same or better service that that area -- that the mud has prior to annexation. So the choice that the city has under the law -- I'm not talking about the 800-pound gorilla, let's talk about the law. Under the law the city may not an ex the area unless it provides the same or

better services that the mud already had in place. That's the law. I know the position the and I is, well, we're just not going to provide those services. Those service that's you have are far and above what the city provides or is willing to provide or they can afford to provide so we're not going to provide those services. If you want to have those services you can set up an additional property tax in terms of a limited district and you can charge your -- you know, the taxpayers will have to pay more to maintain those services but that's not the law. So what's happening here is there's kind of a circumvention of that annexation law because all this stuff is being laid out right in the beginning so there's some kind of understanding that all this is going to happen. But it's not good. What's going on here is not go good.

>> Mayor Adler: Ms. Kitchen.

>> Kitchen: Could you speak to the time-sensitive nature of this?

>> I can explain. Our city code has a section that describes how the mud applications such as this are treated. This type of application in particular has a review time of 60 days after the application is submit sod it was submitted December 30, for boards and commissions and staffs to make their recommendations on what was submitted. And then by the second regular Thursday council meeting following those board and commission reviews, the council is required to take action. So that would be this week's council meeting.

>> Kitchen: Council is required to take action or required to be be on the agenda?

[11:48:05 AM]

Could we not postpone it?

>> It says take action in the -- so first reading would suffice for taking action.

>> Kitchen: Okay. So, I'm sorry. You said that a little faster than I could catch it. You're saying that it's in the ordinance? Or in the --

>> In 259253 of the city code, it lays out a process for reviewing an application to amend a mud consent agreement.

>> Kitchen: Okay. And so the first time council hears about this is at this point in time. Okay.

>> That's why it seems that first reading might be appropriate to give us your direction, if there's anything else that we've missed or you have opinions about, we could then go back and add those before we come back for second/third reading.

>> Kitchen: Well, as you understand, I mean, this is -- thank you, councilmember Zimmerman who has some experience, this is new for me and perhaps for other councilmembers. And so, you know, just to have it come and we have to act on it, we can't even postpone it is, you know, difficult. So what you're saying is there's no option to postpone it. What we have to do to move it forward is pass it on first reading and then have additional time to consider after that? Are there time lines related to -- between first reading and second reading?

>> There's not.

>> Kitchen: Okay. Come up again uhe summer?

>> When the zoning case makes it's way through the boards and commissions and gets to council.

>> Kitchen: But we have to pass it on first reading or it dies?

>> To be in compliance with the city code.

>> Kitchen: Okay. Yes. I think he was going to explain.

>> Well, to be -- the code requires that so to be in compliance, as Virginia he said, with the code, if you take first reading, that would satisfy the code provision. If you decided to postpone it, I mean, there's not really a penalty.

[11:50:08 AM]

It's just you'd have to waive that provision when you finally passed it. But first reading is really kind of a simple procedure to comply with our code, get it on the process. If you choose to take it to a committee at that following -- you know, following that, then that would be fine. You'd have plenty of time to do it. In this case the developer is really wanting to bring these items together at the same time.

>> Kitchen: So, in other words, our action could be just to send it to committee? We could do that?

>> You could pass it on first reading and send it to committee. That would be the way to comply with the code. Or you could just send it to the committee and then when it comes back we would have a provision in the ordinance that waived that code provision.

>> Kitchen: Okay, thank you.

>> It's not a --

>> Mayor Adler: Ms. Can --

>> Kitchen: Thank you.

>> Councilmember, we would also be happy to come with you and talk with you at length about this since muds are fairly complex and this is probably the first time you've had an opportunity to see one. So we would schedule some time with you at your convenience and we'll come and talk about muds in general and talk you through this one also so you have a better understanding.

>> Kitchen: I'd also like to understand what the -- I'd like to understand the surrounding neighborhoods. Did you get any impact -- have you had any feedback from any other people? Surrounding them?

>> The developer that is building this project is also building the surrounding neighborhoods so they're kind of all under construction at the same time. To the north and east is currently undeveloped but there are muds 1, 3, 4 to the south that is under construction right now.

>> Kitchen: Well, yeah. And the impact can be on folks that are not even next door. It could be, you know, the onion creek area, further north that could be impacted. Anyway, I think this is a big issue that requires some thought, particularly since it sounds like it's not time-sensitive.

[11:52:08 AM]

So with that said, I'll be doing a little more checking on this, but will likely want to send it to committee to allow for me time to think about it.

>> Mayor Adler: Any other comments on 17 or 18? Mr. Renteria and then Ms. Houston.

>> Renteria: You know, I really think it should go to committee because, you know, you're right, it's a really complicated process. I was involved with a mud in the -- on the original establishment of a mud in the late '80s, and basically, you know, what the mud started was that the citizens of Austin decided that they weren't going to finance growth, that if the growth was going to happen then let the developers take the risk of going out there and developing these muds. So that's what -- and I seen one that actually went out there on the eastern side just south of Bergstrom air force base that actually went under because the economy crashed, the developers lost out on that money. But it's a very complicated process so I would really like to know some -- get up to see what's really -- the process that's going on these days.

>> Mayor Adler: Okay. Ms. Houston.

>> Houston: And, again, I want to thank councilmember Zimmerman for giving me a crash course in municipal utility district because this is the first time I've seen it as well. And I may have been out when this was discussed. Who made the application?

>> The developer submitted an application to amend the agreements.

>> Houston: Okay, okay.

>> Mayor Adler: Okay? Further discussion on this item 17 or 18? That gets to us item 20, pulled by councilmember troxclair.

>> Houston: 20? 22?

>> Mayor Adler: Did you pull --
>> She unpulled it.
>> Mayor Adler: That gets me turn then to item 22.

[11:54:16 AM]

Councilmember Renteria and Troxclair.

>> Troxclair: I guess, first, can you just lead us through the fee structure and process by which these fees are waived, waivers are paid?

>> So councilmember Robert, Austin transportation department, items 22 and if you'll allow me, 23 are similar, I think you're asking the question about both of those; is that correct?

>> Troxclair: Yes.

>> These actually are not fee waivers. These are -- I'm joined about my special events officer. These are actually not fee waivers. They're actually required approvals of council for two events that will be stationary and occur within the street right-of-way where a fee is being charged by the promoter. And so under current city code, those type of events that are stationary and are charging a gate fee require council approval for those to go ahead. So there's no fee waiver being contemplated here. It's simply asking for council to approve these two events. These actually, I'm told, are really the only two events in town that are in gated events, where a fee is charged at the gate within the right-of-way. Other events, for instance, marathon and so forth, there's fees charged but those are not -- do not fall under the same code provision.

>> Troxclair: So the \$2,000 or \$3,000 and \$10,000, those are fees that are being paid to the city?

>> Collect, for instance,

[11:56:18 AM]

[indiscernible] Office of special transportation, so these events pay all of their application fees, permit fees, et cetera. On top of that they charge a fee to enter the event and so code requires that they pay a percentage back based on their entry fee to the city. So that would be in addition to the permit and application fees and all the applicable for the event.

>> And those fees go to the general fund for the and I to spend on -- as part of that program.

>> Troxclair: So the -- any street closure of this nature for an event comes through council?

>> When it is a -- when there is an event, stationary event in the street, where a gate fee -- so to enter a gated area is being charged, yes, that's required to come to council for approval.

>> Troxclair: And is there any -- I guess in the application process -- because I noticed that one of these events is on Cesar Chavez.

>> Yes, ma'am. Arts city Austin for many years has held a major art event on Cesar Chavez on the weekend. We typically close down Cesar Chavez at the end of Friday and open it up before Monday. We have been working with them to encourage them to move from Cesar Chavez because of the importance of that arterial to other locations. In fact the design of the streets as part of the green water treatment plant redevelopment is designed to more easily accept events. We're doing things specifically with the design. We're encouraging them next year to consider a different location, specifically perhaps Riverside in the park. Or that goes through the public, public right-of-way, it's not parkland. We're giving them notice this year to please start considering now not coming back to Cesar Chavez.

>> Troxclair: Yeah, thanks for doing that. I know I've heard frustration from constituents just about streets, major arteries being closed on a frequent basis in the city so I think although these events are very important, anything that we can do to make sure that they are happening at a time and place that is least impactful to the traffic would be great.

[11:58:36 AM]

>> Right, yes, ma'am. And the other event is not particularly on a street that impacts traffic. For those, St. Patrick's day, simply we're very careful about that.

>> Mayor Adler: Mr. Renteria.

>> Renteria: I'm just, you know, a street closure, what's the price of closing a street here in Austin?

>> There's a \$250 application fee, \$76 inspection fee. If they have sound, there's a \$33 sound permit fee and then it is \$200 per block to a maximum of 20 blocks per day.

>> Renteria: And that's -- how about if a neighborhood wants to have a little free event? How much does that cost?

>> Well, we're in the process of -- at the end of the last city council meeting, prior to the new council coming in, they passed an ordinance for a neighborhood block party that would allow smaller neighborhoods, community neighborhoods in residential areas to have those types of events. We're working through the fees for that because our desire is to make it affordable so that we can encourage those kind of community events.

>> Renteria: Because I've heard it's expensive, 1200 to 2,000 when I see you're doing it for \$200. So how much do you normally generate in money from the -- the percentage of the gate?

>> For these.

>> For these events, for last year, there was about \$600 for the fidoza event.

[12:00:52 PM]

And.

>> That is above what they pay.

>> Renteria: The little local neighborhoods that are having the small event are paying more where you have an event where they pay \$600 -- is that for two days, the \$600.

>> That is for the gated fee cost. They still have to pay the permit fee, which is the \$200 per block, per day. For art city, it is several thousand dollars that they have to pay for their permit fee. And on top of that, they have to pay all of the APD cost for working the barricades and they have to pay insurance costs and have to pay for the traffic control devices themselves. They have to pay for a traffic control plan. So it is quite costly. And really, too costly for a neighborhood-type community event. We think we can get it into a residential areas that don't have a high impact, put something in place to make that safe, but yet more affordable.

>> Mayor Adler: To reiterate the --

>> To talk about the fees that are talked about are above and beyond the Normal fees, just the gate percentage.

>> Houston: That is for the cleanup, as well. You said APD, who puts the barriers up and takes them down?

>> The event hires a barricading company that is licensed to do that. They put up the barricades, take them down. They're required to provide a trash plan, and we do have a \$2,000 deposit that if for some reason they left trash, and the city needs to come back in and do trash cleanup or mitigation, that we have the deposit that we take the funds out of. It hasn't been done very often.

>> Houston: Thank you. I would like to see more events like this where we can get -- where they would pay their share, and then we get some revenue from them.

[12:03:03 PM]

So probably not on the majority arteries, but someplace. That sounds like --

>> Mayor Adler: Ms. Gallo.

>> Gallo: So the question would be particularly on the

[indiscernible] One, is there a notification? But it is one block but is there --

>> Yes, both of the events have gone through the Normal notification process to the surrounding businesses and have gotten buyouts from the landowners and so forth. Both of the events have gone through the Normal approval process and again the only reason these are here before council is because of the gate fee and requirement for us to come to council. Yes, they've all been through that approval process.

>> Gallo: To help our education, what is the Normal notification process for something like this?

>> So at a minimum of 90 days out, the events are required to mail out notifications to all the affected residents and businesses. The city provides them with a list of those addresses. And they have to put together a letter with the map. And include an approve or disapprove form. And they mail those letters out, at their expense, to all of those affected people. 60 days after -- I'm sorry. 60 days prior to the event, if we have received no more than a 20% disapproval rating, then meaning that we got back any disapproval forms from the affected persons, the event is then green lighted to move ahead. Of course, they have to meet all their other requirements as well.

>> Gallo: And do you verify that you get approval letters -- I mean, not getting anything doesn't necessarily confirm that the letter has gone out.

>> In this particular process, if we don't get approval letter back, then the assumption is that the event is approved. So it is not required to send back an approval, but if they do send back a disapproval, then we go through a process to determine whether or not it meets the 20% rule.

[12:05:16 PM]

>> Gallo: Ok. Thank you.

>> Mayor Adler: Anything else on 22 or 23? Ms. Garza?

>> Garza: [Indiscernible].

>> The council sets it through the fee schedule ordinance.

>> Mayor Adler: So every year when we come --

>> So every year when we come with our budget proposal, that is a piece of the process.

>> Garza: Thank you.

>> Mayor Adler: Anything else on 22 or 23? Go to item 25? Pulled by council member kitchen. Thank you. 25.

>> Kitchen: I pulled this item because I wanted to bring it to people's attention in case there were any questions. There is a group of us working together on it. I don't know, do you want to say anything about it council member tovo, or shall I talk about it?

>> Tovo: I think we had an opportunity to talk about this a little bit in our parks discussion. These aren't new concerns. There have been ongoing concerns about our park space and events within our park space and whether we achieved the right balance as a city between the commercial use of our park space and the public taxpayers' use of that space. So during our parks policy discussion, I think we talked a little bit about our previous council resolution that asked -- that asked for there to be a public discussion, a public process looking at -- looking at that very question, and in particular, looking at zelger park, auditorium shores, in terms of the number of events, intensity of events and impact on both the parks space and the adjacent neighborhoods. As was mentioned in the course of that discussion, in response to that resolution, there was another one that -- I don't want to get down too far in the weeds, but it got -- that question got folded into the larger redesign -- potential redesign planning process for auditorium shores.

[12:07:32 PM]

Those initial questions really never got answered. So this resolution seeks to engender a public discussion about those very issues and to do so in the form of a task force that would be modeled after some of the very successful task forces we have had in recent years. Like the Austin task force, the street closure task force, which gave rise to some of the rules we were just talking about. The water planning task force, you know, we can achieve a lot and really leverage, I think, the expertise in our community by pulling together community members that are involved in these issues from event promoters, landscape, architect and get together and come in a focused way to make recommendations about what are the implications what are the impacts and recommendations in going forward. The hope in bringing this forward is to leverage that community expertise, get focused conversation on this and have some recommendations that come to the open space group, and then on to council for us to consider.

>> Mayor Adler: Ms. Kitchen?

>> Kitchen: Thank you. I would add that these are issues, as councilmember tovo brought up that are long-standing issues. And of course, they impact the entire city, because the use of this parkland is important and has implications for the entire city. For district 5, the neighborhoods that are right next to zilker park have experienced difficulties over the years and are particularly aware how many days of the year the park is closed to the general public. So this is something that I talked with folks in my district, and I know others have, too, through the campaign period, so I'm -- I think this is a very good way for us to tackle these issues. I would also say that there are impacts on transportation. So the mobility committee will be look at those aspects of the impacts and working closely with open space, environmental committee on recommendations that can then be brought back to the full council.

[12:09:46 PM]

I appreciate the opportunity to work with other council members who have worked on this item, I think that we'll be able to get a good jump on it, very quickly. And then bring recommendations back to the full council.

>> Mayor Adler: Mr. Renteria.

>> Renteria: Thank you for this resolution. The reason I signed on, also, is because festival beach is undergoing a big, major plan. And I want to make sure that it's done right. Because, you know, we're invested in over half a million dollars now on redeveloping festival beach in the gardept, now that we have the power plant. And I know that there are probably going to be some activities that are really going to be impacting the people there. They have really have told me that, you know, there is a big division in my neighborhood over what we should really do with that part of the park. So, we need to be really careful and make sure that, you know, that it meets the desire of the people, that are in that neighborhood. And seeing the impact of what's going to happen if we have way too many events in our neighborhoods. So thank you for that.

>> Mayor Adler:

>> Mayor Adler: I like this to, and I think the more we can get to high-level thinking and adopt policies that inform the specific decisions we make, the better job we'll do as a council. So having a task force that does this, I like a lot. I'm always nervous when I see task forces that perform in terms of who is on the task force, because we each appoint people. A lot of people are trying to appoint people from their district. I still am not comfortable with yet or haven't figured out how to figure out that the holistic group, in fact, represents all of the voices in the community and all the different expertises that you would want to have available.

[12:11:47 PM]

I like that this particular one adds, in addition to council people, other voices coming from different constituencies, that makes sense. And I, for one, hope that this group, when they get together, feels comfortable not only making a recommendation, but everybody on there feels comfortable making minority reports or additional suggestions that may or may not be approved by the majority on the task force, because I'm not sure that I will be as swayed by what the majority wants as much as I will be swayed by good insight or recommendations that come from the task force. I guess that is how I see it more than anything else. I hope that the task force comes back and says these seem to be the important issues, even these are different ways to treat those issues, so that then as a council, we can actually make the policy decision. Ms. Toffee.

>> Tovo: Yeah, -- Ms. Tovo.

>> Tovo: Yeah, I'm glad you made that last point. I mentioned that the lake Austin task force was successful model and it was. One of the ground rules they began with is that every decision had to be a consensus UT, a 100% consensus. I don't believe that that is really the right expectation for our task forces, because there were some very good ideas that came out of that group that didn't achieve, that received 98% support and not one hundred. I think we need to preserve the ability, as you said for the miert recommendations to come forward in the form of a report or in a separate appendices or whatever.

>> Mayor Adler: Any other comments on 25?

>> Tovo: The other thing I wanted to say, council member Renteria addressed this. The other significant scope change from the earlier council resolution from this one was the addition of festival beach.

[12:13:47 PM]

It has become apparent that that is another park that really needs to be addressed. I would also say, too, I hope council members will be thinking about how one thing that this group will likely consider is whether events should move to other parks around the city. And that could be welcomed as a very positive thing in some areas. And could be met with concerns in others. So I hope this task force can help foster that discussion in all of our districts.

>> Mayor Adler: Ok. Moving now to item number 26. Bless you.

>> I pulled this item for discussion just in case anybody has any questions. It's an agreed to item. Agreed to by all the neighbors involved which is two different neighborhood associations, and by the developer. And as well as [audio skipping] A solution that would work for everyone. The reason it is an ifc is because it just requires direction to the city staff to implement. Basically it is implementing a traffic control device that is not going to be paid for by the city, it will be paid for by the developer. An appropriate traffic control device to eliminate unauthorized cut through automotive traffic on a new roadway extension. I just pulled it in case anyone had questions about it.

>> I do.

>> Mayor Adler: Ms. Houston.

>> Houston: When we normally in the neighborhoods do a traffic control device, it is not a resolution. Can you tell me, what's the difference between this one, why we need a resolution to do this item.

>> Kitchen: Yes, I will make an attempt and then I will ask staff to help me. Basically, this is a new roadway extension, it is not an existing road.

[12:15:49 PM]

And because it is that -- it is not like putting traffic bumps on existing road. So it is a little unusual in that

regard. And the reason -- all the resolution does is simply direct the city staff to take this action. It is an action they can take otherwise, because it is an unusual -- not unusual, but not a typical approach, they needed direction. Did I say that correctly?

>> Yes, ma'am, Roberts filler for the department of transportation for city of Austin. It is our understanding because with the passage of imagine Austin, the policy for the city set by council is for full connectivity. This offers many of the connectivity issues but specifically restricts free auto access through here. Free flowing auto access. So because we felt that we needed direction, specifically to restrict the types of access through this corridor. So this is something that we think we can do, effectively, because it is a private road that will transition to city characteristics or city ownership. So what I believe council is doing is simply tailoring city policy to this particular link. So that's why it's different.

[Inaudible, multiple people speaking]

>> Houston: Can I ask a question. I'm sorry. I'm more confused. This is a device to limit access rather than -- limit access, rather than create access.

>> That's right. This will allow bicycle and pedestrian access or connectivity. Tell allow connectivity for emergency and service vehicles but for general auto traffic, it would deny that.

[Indiscernible].

>> Houston: So it needs to be in the form of a resolution because this is different than usual, how?

>> Well, again, my understanding is that the city policy, set by council, is for full connectivity, and this is less than full activity.

[12:17:56 PM]

So what council is doing, in this particular case, is changing the definition of connectivity.

>> Houston: Thank you. You said it three times and I figured it out.

>> I'm sorry.

>> Kitchen: I would consider it slightly. I don't consider it changing the definition of connectivity. It is looking at connectivity in a broader sense. It does allow for what is important to these particular neighborhoods, which is the pedestrian connectivity to be able to walk to the park as well as the bicycle connectivity, whereas avoiding the problems that allowing this new road to allow automotive traffic would create as a safety standpoint from the neighborhoods. So to me, it is an interpretation of existing policy of connectivity rather than changing any policy.

>> Thank you. That's probably better said, yes.

>> Mayor Adler: Yes.

>> Does this area have sidewalks throughout on Aldridge?

>> So, no, it does not. The new connection would provide sidewalks, if you are familiar from the cul-de-sac all the way to the new -- to the city park, that is to the -- let me get the directs right. I think to the north.

>> Is there a street that is colloquially locally called deadman's curve in this area? And why is it called that?

>> You know, there are a number of neighborhoods that point to a curve in their neighborhood and call them deadman's curves. This neighborhood does have a curve that is perceived to be very sharp. And there is concern from this neighborhood that additional traffic would cause traffic concerns at that location. That said, there was a traffic study done, and my engineers concur with the finding that there is sufficient sight distance to provide for safe stopping distances where the new street would connect into I think it is dove Porto.

[12:20:09 PM]

Is that correct? I may have the streets wrong. I'm sorry.

>> And the history on the roads, they're essentially old rural roads; is that right? No berms no sidewalks?

>> There are no sidewalks. Current drainage is pretty limited. Yes, they're very narrow. Traditionally what we would term rural-type roads. They're very -- this design is a frequent design that when you look back at roads we've inherited from -- through annexations, they're quite often some of the older roads. I can show you Numbers of them all over town. Inherited what is more appropriate for a rural characteristics that is in the middle of the city.

>> What we have here, council member kitchen, what we have here is an agreement with the developer around surrounding neighborhoods crafted over a number of months and fairly intense negotiation; is that right.

>> Kitchen: Everyone has agreed it is a fairly good solution. I want to thank the staff for helping us come up with a solution that works for everybody.

>> I would say council member, if you will allow me, there is a third set of parties here that this also works for, that is the garbage truck and the occasional large moving truck that needs to get through here. We can accommodate those on a specialty basis.

>> Kitchen: The city services are accommodated also.

>> Mayor Adler: Mrs. Zimmerman.

>> Zimmerman: I want to thank for earlier about how to solve this problem. We were thorny and tight knots and I want to thank you for specifically finding a way to address the real concerns of the neighbors and also to allow the developer to [indiscernible].

>> Mayor Adler:

[12:22:10 PM]

Mr. Zimmerman's turn and then the speaker.

>> Zimmerman: Can you tell me about the technology that will be used? What is the budget for the project here?

>> It is essentially a crash gate that is built in a way that pedestrians and bicycles can bypass without another vehicle. It preserves the drainage contemplated. All of the streets act as a drainage device, to channel water to the nearest inlet. This allows this to continue that way. The thinking is it would have a combination lock on it. The garbage delivery on natural resource recovery can open the gate and use it. But likewise, when a large truck gets into one of these areas, we can let them have the combination and change the combination and let them go through after they have go through, shut it and changed the combination. Emergency vehicles will typically carry bolt cutters. They'll cut the change and go through and we repair it afterwards. The cost is contemplated at approximately \$10,000. So in terms of traffic control devices, it is equivalent to some of the others. It is critical that we understand this is a street not yet owned by the public. So there is not a current traveling public that has some stake in that venue.

>> Zimmerman: One final follow up on that. Some of my friends are now using electric battery assisted bicycles. Kind of cool. Like electric motor in them. How would you -- would it stop motorized small mobeds -- mopeds, motorized. How is that controlled.

>> There is a difference between a motorcycle and motorized bicycle.

[12:24:12 PM]

Motorized bicycle is defined, I believe by state law by the cubic -- you know what I'm talking about? The size of the motor. So electric bikes that are meant to give the assist are legal to use in the bike lanes and

are therefore able to go by. Technically speaking a full motorcycle would not be legal to use in the bike lanes. I tell you this will probably be porous enough that a motorcycle can get through there will hopefully not be many, but there is a risk.

>> Mayor Adler: We have two more things to discuss, also 27 and 28 might be a lengthy item. And we also have an executive session where we can talk about the Garza case. Is there further conversation on this item, number 26?

>> Houston: Yes, I wanted to have one more clarification. For other neighborhoods who find themselves in similar purposes, this is the tool because once again we're setting a precedent here. Is this a tool people can use to help with the walkability, bikability, where there are no sidewalks and where there are curves that are dangerous?

>> Council member, this doesn't address the curve issue. That is a separate street. This does make a dramatic change to the accessibility. I think if it were -- we're going out of our way to not make this a precedence, quite honestly, by coming to council to ask you to override -- or to modify the understanding of the policy. My concern is if this were asked to apply to the general public that there is ownership of that activity.

>> Houston: I'm talking about districts where there is no traveling street and we're annexing as what go.

>> If there is no new street, typically the developer builds the street and hands it over to the city.

[12:26:18 PM]

I think, yes, it could be contemplated in that situation.

>> Houston: Ok.

>> The concern is an existing neighborhood wanting to put these devices up to increase an exclusivity of that neighborhood or --

>> Houston: Just the health and safety. There are no sidewalks, people are walking in the street, cutting through traffic, that kind of thing. And so your answer is no.

>> On new streets.

>> Houston: Ok.

>> Mayor Adler: Anything else on this item, 26? Item 27, fee waiver, Mr. Casar.

>> Casar: --

>> Houston: And we're going to do 27 -- are we going to 27 and then executive session and eat and then come back and do 28?

>> Mayor Adler: I think that might be good. Does that work for everybody?

>> Is it a long discussion on 28? I would just as soon go through this.

>> Houston: I would suggest it would be long. Mayor pro tem tovo has a lot of questions that would not have been answered yet. I would suspect that.

>> Tovo: Mayor?

>> Mayor Adler: I pulled that item, I have a large number of questions that have not been answered, but I'm happy to wait for those answers back from staff. That might be the most efficient way to get those answers from staff in the q&a process. I really pulled it today to ask my colleagues if they would consider reopening the public hearing. This council didn't have the benefit of hearing from the public on this issue. So it might be appropriate and I would like to support or make a motion on Thursday to reopen the public hearing so we can hear commentary on it. If that's the will. But I wanted to have that discussion today so we can give people a heads up we're likely to reopen it or likely not to, whatever the will of the council is.

>> And I had one very short question for you about it, and that was whether or not this is an appropriate item for committee.

[12:28:23 PM]

>> Houston: No. It's not an appropriate item for committee.

>> Mayor Adler: My sense is we will be here for a while on number 28. That's my sense. So we'll take a lunch break and coming back might be good. Do you want to quickly handle 27.

>> I will be quick. I wanted to pull item 27 in case people had questions before Thursday. People's community clinic is really an outstanding institution in our city, that I thought it merited this very, very small fee waiver for the construction of this new building, which really is just a renovation of an existing office building. They will have raised about \$14 million in private money, which will ultimately save taxpayers quite a bit because of the amount of great services they provide at little to no cost. I wanted to answer, get any questions from anyone today before hopefully moving this on consent on Thursday.

>> Mayor Adler: Any questions about this item? Ms. Pool?

>> Pool: I'm a cosponsor on this. I support what community clinic has done for years. It sounds like a lovely new expansion to address the needs of many folks. The location is a good one as well. I like that this is going forward and supporting on consent.

>> Mayor Adler: Any other questions on this item? Ms. Gallo? Hold on.

>> Gallo: A quick question. I know it is a wonderful, wonderful organization, which we all need to support. I'm sure we'll have other nonprofits that are looking at this. I'm curious if we frequently -- this will be a staff question, if we frequently do this for other nonprofits that come through and waive building permit fees?

>> [Indiscernible] I think it has happened periodically. I won't say with great frequency, but I think it has happened before.

[12:30:24 PM]

I'll see if I can get a list of some of those that may have been done in the past.

>> Mayor Adler: That would be good. Any other conversation? Then let's --

>> I'm sorry.

[Indiscernible].

>> Mayor Adler: Ok. So the city council will go into closed session to take up one item. Pursuant to section 551.071 of the government code, sick sig will consult with legal council regarding item a 1. Legal issues related to zoning and ziermental regulations apoliticalable at 3081 Ben Garza lane. Any objection to going into executive session on the item announced? Hearing none, the council will now go into executive session.

[2:27:09 PM]

>> I thought that went well.

[2:30:08 PM]

>> Mayor Adler: We can start.

>> Mayor Adler: All right, we are back from -- we are out of closed session. In closed session we took up and discussed legal issues related to item a1. Ms. Tovo.

>> Tovo: Mayor, with your permission, could I talk about the audit and finance committee meeting scheduled for 2:00?

>> Mayor Adler: Yes.

>> Tovo: I've conferred with vice chair troxclair and other interested individuals. I think our plan at this

point is to meet at 3:00, assuming we're done with the work session. And if we're not done with the work session, I think we're going to have to try to reschedule, because we have several people with a hard stop at 4:00. If our work session -- if our council work session goes until 3:30, it doesn't provide us enough time to meet. I apologize. I know we cleared our scheduled to be here for the audit and finance committee meeting. I'm still hopeful we might wrap up at 3:00. If so, we can have the committee meeting. And if not, we'll have to work real hard to find another time. Does that seem reasonable? To other committee members and -- okay. Thanks. And thanks to all the citizens who were on our calendars for this afternoon, and removed themselves.

>> Mayor Adler: Okay. All right, we continue. We have one last item to discuss in our work session. That's item number 28. Which is the decker lake item.

[2:32:25 PM]

>> Mayor Adler: Anybody want to tee this one off?

>> Houston: No pun intended. Mayor, you pulled it.

[Laughing]

>> Mayor Adler: So, on this project, which seems to have a lot of moving parts for me, I'd just like to have a discussion on several of them. And in my head, probably I break them into four areas, for me. One is water. One is economic development. One is parkland use and alienation. And the other one is the deal itself. So, it would be helpful for me if we could kind of go through those. That would help me. The first one is water. So, one point with respect to water, there was some question about where the water would come from. My understanding is that the initial deal was going to use our regular water supplies, that there was a solution for water that said, "Hey, we can pick up this water by stopping some potential excess use of water in other locations." And that subsequent to then, we've now looked at a different water answer that involves the Trinity. I would add parenthetically that wherever we identified excess water was being used, that was going to be used here, I hope that even though we're using the Trinity we go back to those places and realize that water gain even though it's not going to be applied to this golf course. I'd just like us to pick that up if on analysis, it looks like there's some places where we could save water. But, if you could help me sense me understand the impact to the city on water.

[2:34:28 PM]

So that would be, for me, tapping into the Trinity aquifer, how does that impact the city in the future. The Trinity water on the golf course, how does that impact us environmentally. And then with respect to the use of decker lake and water, how does this project impact our ability in the future to use decker lake as a reservoir, or part of the water supply system, that kind of water management issue.

>> I can start. I'm Greg, director of Austin water. And back in the fall, you're correct, mayor. There was a lot of discussion on the project and water at the time it was proposed to you. It was reclaimed water. Subsequent to that, the developer has come up with a new alternative, more locally sourced water, deep Trinity water, approximately two to 3,000 feet underground, slightly brackish water that they would use for golf course irrigation. The watershed department looked at it and indicate the water would not impact local wells. It's too deep to impact local wells. It would be sourced right next to the golf course. I believe the parks department is still committed to reducing water as you suggested on the existing golf courses. That would remain. Subsequent to the fall discussions on the project, we had developed almost a full page of additional items in an amendment to the contract that spelled out quite clearly how the utility and the city would potentially use decker lake in the future, how we might even use area around decker lake in the future for water supply. I don't think from a language perspective we could be any more clear on the potential ways decker lake may be used for emergency water supply

purposes in the future. I think we've really improved that language, and feel quite comfortable with the way it reads now in terms of decker being a varying level lake in the future, among other projects.

[2:36:37 PM]

I think we'll have to stay attentive to water issues in and around any of these areas, but from the well, perspective, I think Austin water's comfortable with that solution.

>> Mayor Adler: Okay. And the next part of my question then goes to economic development. So, one of the key attractions for me, with respect to this development, is any promise it might have with respect to economic development on the east side of town. An area of town that for way too long has been ignored in terms of . . . Well, ignored may or may not be the right word. Okay. We just don't have economic engines that we have been successful in establishing on the east side of town. And I think that, as I, you know, went around the city, over the last 12 months, it is my belief that we have reached a place where the community will exist all over this city to change that. You know, last week we made it to number one on two lists. One was we're the best tech city in the country having passed San Francisco, and that's exciting. But we also went to number one on the most economically geographically segregated cities in the country. And I think that the will exists throughout this city to address the latter of those two issues. And I'm aware that the neighborhood, or some of the neighborhood around this property are excited at the prospect of someone coming in and actually investing a large amount of capital to do something that would generate significant economic activity as an engine.

[2:38:40 PM]

You know, particularly trying to get retail and a grocery store, and those kinds of things that we enjoy in lots of parts of the city, and do not enjoy the same way in the east side of town. So, we have someone who has come to us with a proposal. And there are a lot of people that look at it and say, "This is the first time this has happened. We can't let this opportunity escape us. And we need to take advantage of it from an economic development standpoint." What I'd like you to address is my concern associated with that. And my concern is, rather than being reactive, which is what we were doing when someone comes to us and then we're reacting to the proposal they brought to us, if we were being proactive, if this deal were to be put aside and we set, as the policy direction to the city, we want to develop an economic engine or engines on the east side of town, is this golf course what we would do with this project? Property? And in that regard, you know, address both, what is the best use that can be made of the parkland property, associated with driving economic development. And also, what would be the best use of the land without regard to it being parkland? In other words, I recognize if we were to take the parkland and put it to any other use, it would require a vote. If we were going to sell or alienate that property. I don't know whether the citizens of the city would support taking, you know, 100 acres out of this and saying, this is unique land next to a lake, could we, in fact, do something that would fundamentally change the direction of this city by fundamentally changing the direction of east Austin.

[2:40:40 PM]

But I don't know. And it's because I'm not aware of whether the city of Austin has actually sat down and said, "That's our goal. White piece of paper." What do I do to actually deliver economic development on the east side? So, I'm trying to put this proposal in that larger context.

>> Mayor, Cora, assistant director for the parks and recreation department. Thank you for the opportunity to talk about this project. First of all, we'd like to share with you that as we all know, the Walter E. Long park was acquired in 1965. The point I want to make is about being reactive or proactive.

We acquired the park in 1965. Its first master plan was in 1966. It was revised again in 1978. What is consistent with what we've heard from the community in this northeast side of the city is that there was a desire to develop Walter E. Long park, 1872 acres, for recreational purposes. And one of the recreational purposes the community spoke about was a golf course. As a matter of fact, it was spurred out of the original master plan and continued with the revision in 1978, and we're now what, 49, 50 years later, and there is still the need to complete that vision. The reason we don't see this as a reactive mode is because, first of all, this land is uniquely situated in an area of the city that is in need of quality recreational experiences. We've done a pretty good job in one segment of the park in which we've partnered with Travis county. And through that relationship, an agreement was executed to provide some recreational activities.

[2:42:44 PM]

That's a different topic, I realize, but I wanted to share that with you. Because we're looking at continuing recreational purposes in that area, but also maximizing it so that we can provide even greater recreational experiences.

>> Mayor Adler: This is the expo center area?

>> Yes. And the agreement is in place until 2033. There's an opportunity to continue current uses and expand it even further. Of the 1800 acres, about 1400 is undeveloped. And, again, remember the community has been envisioning a golf course. As a matter of fact, the conceptual perspective of this land was that a 36-hole golf course would be developed in almost the exact same space that the proposal that you'll be reviewing on Thursday is offering. The reason this is not reactive to us is because our mission is to provide, protect, and preserve parkland for recreational purposes. And the community has said very clearly over the last 30, 40 years, that golf is important to them. But the other side of that discussion, or the reality that we face today, is that we have not, as a department or a city, been able to find sufficient dollars to invest to make that vision a reality. So, here we have an opportunity to make the vision a reality by having a partner join us. And the benefit of this proposal is really quite exceptional in that we have a partner who is not only interested in helping the city develop a golf course, a 36-hole golf course, but a world-class golf course, two world-class golf courses, a short course, and other associated amenities that would go with this golf course.

[2:44:47 PM]

>>> So the question may come, well, how does that benefit the community? Well, from the construction all the way through operating and maintaining this facility, there will be opportunities for employment. And we'll get into more details about that economic piece. But, I think what the council would want to know, and what the community would want to hear, is that after 49, almost 50 years of having a vision for a golf course, we now have an opportunity to do so at no cost to the city, at no cost to the parks department. As a matter of fact, we don't have to be concerned with generating dollars to construct or to operate, or to maintain, or to replace the amenities that would be provided to the city. The bigger picture is that all capital improvements to this park will become the property of the city of Austin at no cost. So, what we're able to achieve is an expanded recreational experience on dedicated parkland. And the reason I want to stress that is that dedicated parkland comes with certain protections, meaning the citizens of Austin and state law protects parkland for a very specific purpose, for park uses. And so with this proposal, if we were successful, we'll be able to realize the vision that is now almost 50 years old. We'll be able to provide world-class amenities at no cost to the community. The community and the parks department agrees this could serve as an economic anchor. Will it be the primary economic development driver for the community? Not likely.

[2:46:47 PM]

Will it have secondary opportunities, absolutely. Because part of this agreement speaks to reaching out to the community for opportunities for employment in many of those areas. So, the associated facilities are going to be trails, there's going to be a pro shop, there will be a restaurant, there will be concessions. And all of those speak jobs. And we'll have Rodney speak to more details about the economic impact. But, I wanted to give you the big picture. Without this partner coming forward, we would not be able to advance the community's vision, nor would we be able to expand recreational experiences. Golf courses, of course provide golf experiences, but the land also can be used for outside and outdoor entertainment. Also, the restaurants and some of the facilities could be reserved for other kinds of experience in this area. And then finally, the one comment I would make is that this proposal not only advances the recreational experience, not only might it serve to be an economic anchor in an area of town that we have not invested sufficiently in, but it could be the very . . . The biggest and the best first step toward looking at broader community development needs in this area. It is our position that we'd like to see the entire park reserved and be maintained for recreational purposes, but we also agree that there is a need to even look more deeply and more comprehensively at the needs of the community broadly across city departments to really have a comprehensive look. But this particular project can serve as the initial economic anchor for that area. With that, I'll ask Rodney to talk a little bit about the economic development, the specifics about what this proposal can bring forward.

[2:48:52 PM]

>> Sure, Rodney Gonzalez, there it is. Deputy director for the city's economic development department. And we concur with everything Cora has just said. This can be a significant anchor for new economic development in that area. And mayor, there are so many things that we've done in order to be proactive in that area. Aside from taking advantage and looking at this opportunity that presents itself today. For example, we've worked with the greater Austin chamber of commerce and the school district to have an exemption in that part of Austin, to help with bringing more manufacturing jobs and more logistics and trade jobs to that area. We're working with Austin resource recovery to develop an eco industrial park that would be on 969, and that would create up-wards of 1,000 jobs in that area. Recently, we got council approval to put together an industrial revenue bond program. Again, that program would help facilitate the development of manufacturing jobs in Austin. And we've partnered with the Austin regional manufacturing association. Prior to that organization being formed, there was no manufacturing association. And we were one of the first founding members to put that together, because there's strength in Numbers when you get the manufacturers together. We partnered with housing and community development to look at the economic development plan for colony park. And we're working with skill point alliance and a number of other partners to facilitate their workforce development training program on balm road, putting them closer and in proximity to those individuals who need the training to better themselves to get other jobs. So we are doing a lot to be more proactive, and this golf course would fit in with an economic development plan. We do believe that there would be other ancillary economic development projects that would be developed in proximity that would bring retail, bring restaurants, bring other jobs and other services to that part of town that is lacking in those services.

[2:50:57 PM]

So, in terms of direct job creation from the golf course itself, we've said those Numbers before. And

they're minimal, because it's the golf course operations. And what we're talking about is the ancillary ripple effect, if you will, of the economic development program. The golf course itself would employ 35 permanent jobs during the first five years, and then it would employ 50 full-time jobs for the second phase. In terms of construction, 168 construction jobs for the first phase, 113 construction jobs for the second phase. In terms of overall economic impact and Decker Lake Golf, which is the developer, has provided us a ten-year economic impact for this project. Over the ten years, they estimate that the economic impact to the city of Austin would be \$334 million to the city of Austin. Now, what does that mean in terms of direct tax revenue and direct revenues to the city? In terms of direct revenue, the parks and recreation department has negotiated a commissions revenue, which is a percentage of gross revenues collected. They estimated the revenue to the parks and recreational department would be \$4.8 million for the first ten years. For direct sales tax, Decker Lake estimates the sales tax revenue to the city for the first ten years would be \$3.5 million. And they estimate the hotel tax revenue to the city would be \$4.5 million. Those are the first ten years. They have a ramp-up that is scheduled in their operation nor the first ten years, they start off small and increasingly increase the number of patrons to the golf course. If you try to do a ten-year average, you get lower numbers. When you look at year ten, the commissions revenue that is estimated to parks and recreation, for year ten, \$952,000.

[2:52:58 PM]

The commissions revenue to the park and recreation department, the direct sales tax revenue at year ten estimated at 162,000. For hotel occupancy tax, that number is estimated at year ten at 632,000. So, those are pretty substantial numbers. So, the ten-year figures that I gave you, if you try to average them, that's going to be lower. But, more importantly, when you look at year ten, which is the full build-out of the program, you're starting to talk about substantial revenues coming back to the city of Austin.

>> Mayor Adler: Other than the hotel next to, what are the ancillary economic development activity you're talking about?

>> So, Decker Lake didn't estimate revenues from that ancillary -- what -- development, but, what they've said is that --

>> Mayor Adler: What would that development be? What is the ancillary development? What development is ancillary to a hotel and a golf course?

>> They're estimating, and this is what we've talked about, as well, additional restaurants, additional retail. There's an example of a similar facility being built in San Antonio that has led to more development. Kevin has visited that area. There would be additional other jobs, other service sectors, and other retail that would be brought.

>> Mayor Adler: You're talking about TPC in San Antonio?

>> Yes.

>> Mayor Adler: Maybe a different example, just because development was headed that way. There were lots of rooftops. It was pretty aggressive development in that area. Other than that example, do we see a golf course and a hotel spur ancillary development?

>> Kevin, manager for the golf enterprise fund. I think it's all over the map. You could go to the city of San Diego, they have a similar-type facility with hotels that have cropped up. Commercial properties just sort of follow golf. Restaurants being one of the leading ones, but, we have, especially in the city of San Antonio, there's 11 healthcare facilities within a five-mile radius that have, for whatever reason, cropped up in and around the TPC in San Antonio.

[2:55:11 PM]

So, it varies by city, of course. But I think commercial development tends to follow hotel and high-end

resort-type facilities.

>> Mayor Adler: It would help me if you could find an example other than 1604 in San Antonio. There are other factors driving lots of development in that corridor. Without regard to the golf course, there would've been lots of development there, even if the golf course hasn't been made. Something else we can look to that you think matches the kind of thing that we have here, would be --

>> Okay.

>> Mayor Adler: Helpful. Have you looked at -- are there other economic development uses that could be made of this parkland, or lakefront property that might also help us in east Austin? Have we looked about using this as a tif opportunity in order to do something that would help drive an economic engine? I'm trying to maximize this asset and this opportunity to push real economic change in that part of town.

>> Well, this does present the best economic opportunity in terms of the use of that property. If we were to begin talking about tif, because this property is nontaxable currently, then we would look at the surrounding adjacent private property, and looking at tifying that area, that could be used for more economic development purposes. In terms of this property, this project, this presents the best use for that.

>> Mayor Adler: As parkland. As parkland, it's not the golf course, it's the ancillary uses.

>> Yes.

>> Mayor Adler: We would then be focusing on the ancillary uses to see how we drive that. Right now, we know one ancillary use would be the hotel.

[2:57:11 PM]

And then perhaps there are other ancillary uses. I'm just trying, again, this is a unique asset that we have, and I'm just trying to make sure that we have paused long enough to say, what is it, if I have that asset, there are two questions. One, as parkland, what's its best use. And then, how's the best way for me to leverage that use. It's not really the golf course, it's the ancillary uses associated. The second one is a conversation that may very well be politically untenable in Austin, given the premium we put on parkland. But, I want to at least pause long enough to have the conversation about, do I have a really unique asset here that could really be future-changing for east Austin if I were to consider a use or a combined use, something that would drive that lake. And it could be that there's nothing real special about that lake, it could be we can create Lakes the same way we did at Mueller airport, but, I want to pause long enough to say, if we had a white sheet and my goal at the end of the day, and I get graded only on economic development change on that part of the city, is this where I would end up? That's, I guess, the global question which you may have already --

>> Mr. Mayor.

>> Mayor Adler: Yes.

>> I wanted to ask a procedural question.

>> Mayor Adler: Yes.

>> I think it will determine how we drive forward on questions today and on Thursday. Are you intending to send this issue to a committee?

>> Mayor Adler: I think, would not be something I could do myself, nor would I presume to. As a group, that's something we could consider. We could ask these people what the effect of that would be or not be.

>> Because I have had -- I have a lot of questions that I have accumulated. I'm hearing from constituents all across the city with a lot of questions, the questions are really about why a concession, why can the public not vote on this.

[2:59:23 PM]

There are property tax questions on the effect of this economic development on current neighbors in the area, and the value of their land will increase, although we will not collect any property tax from this land, because it's parkland. The only tax that y'all are talking about would be sales tax. There were a lot of promises that were engendered around f1 and the circuit of Americas as a big economic driver, and none of those promises have come to pass. And the no-cost to the city, or the county promise that was offered up ended up in a \$19 million road being funded by Travis county directly to circuit of America's doorstep. Doorstep. This does not feel like a comprehensive community development plan. This is a spot of a golf course, which is an element in a larger plan. But, I don't see a golf course as a driver for economic development in the larger sense that would be sustainable and resilient, and which people who live in colony park and the other neighborhoods in the area, that they could see as building on their own economic development. There's no forward motion, it's a caddy job, another 15 up to 50, and construction jobs don't last forever. This is just the tip of the questions that I have been hearing for weeks, and the community feels like they need to have a full discovery on the issue and would like to have input. So, I'm asking, will we be voting on this on Thursday to close discussion on the item, or will it be sent to a committee?

>> Mayor Adler: We can discuss that here. There's another option, too. The item that is before us is to authorize the city to negotiate and execute an agreement.

[3:01:25 PM]

If we wanted to do our own feasibility study with respect to whether or not this is the best use, taking and considering the items you made, we could, conceivably, change it so that we authorize the city to continue to negotiate so that they could do their feasibility study. And at the same time, either in our committee or otherwise, the committee might be a good way for us to be doing our own feasibility work, too. But my sense is that at some degree, I want the community to see we're being proactive on what it looks like to be a spark of hope that they have. But at the same time, I share the same concerns. Ms. Houston.

>> Houston: Thank you, mayor, and thank you councilmember pool. I find myself in a unique position, because in 2000, councilmember Willie Lewis was sitting in a place on the dais. And this issue came up. And because the developer wanted to purchase the property, it went to a vote and failed by a narrow margin. And since 2000, nothing has been done either to the park or to look at strategically, how to develop economic engines in this part of our city. Meanwhile, most of the other parts of our city have been prospering and growing. And the people in this area, agave and others, have been languishing, paying their property taxes and through rent increases, paying their fair share. And no one in this city has paid any attention to it. Now, I understand that the parks department doesn't have money. They've purchased a lot of land over the years as a way to make us a very healthy community, one that really appreciates the value of parkland.

[3:03:27 PM]

But they've not been given the revenues to up-keep or develop programs for it, or to come up with a way to enhance those properties in a way that would be appreciated by the people who live there. In my district, we also have the Johnny Trave in a park. It's completely wild. There's nothing there, but we own the land. Here we are 15 years later from councilmember Willie Lewis having the same conversation. I, as a representative of those five tracts and those communities, are not willing to delay this by sending it to a committee. They have been working on this since last May. They've been working very earnestly and

thoughtfully, and very proactively with the development community trying to ensure that those community benefits that they've identified that they've been without for almost 40 years, some way this is able to spur that. I, too, believe, and I have criticism about something I said in the paper the other day, that there are other kinds of community engines that we need to be looking at. That's where I hold economic development and the city, now me, accountable to let's look at those things. Because we do have land. We do have vacant land and buildings that no one has ever looked at as a way to spur economic development in that area. But, this particular project, if -- we have to keep moving. We cannot do this 15 years from now when somebody else is sitting in district 1, and we're still talking about, "What do we do to get the kinds of community benefits and amenities in that part of our community so that the people there have the same opportunities and rights that we do when we have to go to the store, or go get a drink after work?" Which I'm going to need some after this one.

[3:05:28 PM]

[Laughing]

>> Houston: But we have to have those, as well. For the people who we're talking about to get to a grocery store, they have to cross highway 183.

>> That's right.

>> Houston: There is no restaurant east of 183 where they can sit down with their families and relax. There is no healthcare. There are no healthcare services east of 183. And so, they have worked on this plan. The people that I've been hearing from from other parts of the city have not worked on this plan. Colony park has been invested in this plan for two years, almost, and they have figured out, these are the kinds of things that we need. And they think that this development will be that spark to be able to help that community reach a level of acceptability and hold us accountable to say, that's not the only thing out there. There's some other things that we can put in place. And so I'm not willing to support moving this to a committee. I think we need to deal with it and deal with it as best we can. I am willing to say, let's negotiate to have a feasibility study, and then we have some dual tracts to have economic development come back and say, these are the kind of strategies that we can put in place. We can go and look for the light industry. I just heard about the ecopark, was it yesterday? And so we have to have a conversation, because, again, I don't know what kind of jobs they are, but we're getting tired of those kind of jobs in that district. So, I mean, if we had economic development in this area, it would help districts on both sides of 1. And so we've got to think broader than just, this is a park. This is an opportunity to bring some clarity and some focus on an area that this city has neglected for over 40 years. And so I'm not willing to send it to a committee, but I am willing to have us go a parallel track, have economic development, see what we can do. One more thing and then I'll be through.

[3:07:30 PM]

I've got four independent districts in district 1, and Mr. Gonzalez mentioned Dell valley. That's just a small part of the ones that I have in district 1. Major, Austin,flugaville, all independent. When you say we've done work, we've done work with one of four district to be able to have this tax -- what do you call it, sir?

>> It's a --

>> Houston: Triple --

>> And the other school district have it already.

>> Houston: Austin has it?

>> Not Austin independent, but, the --

>> Houston: Maynor? I have to get Austin involved. Let's not let this languish in a committee. Even

though we think it's going to get in and out quickly, I think the people of this community deserve action Thursday. I'm sorry I took so long.

>> There was one other point I just wanted --

>> Mayor Adler: That's okay. If it's really fast.

>> It's really, really quick. You mentioned the 2000 golf course deal. At that point, the sale of the land would've resulted in, I think the amounts coming to the city were just shy of 5 million a year, if I'm reading the article from the coverage in the chronicle in 2000. So that was like 4.8 million a year, an interesting number, that is the number now being used for how much the city would get from this deal over ten years.

>> Mayor Adler: Okay.

>> Pool: So the deal itself, if we're going to separate the deal itself out from a more comprehensive community development, which absolutely is needed and desired, and I have talked with you about working with you on doing that, I want to look at the elements of the deal because I don't think the city is getting the best deal it can in light of the offers that were made 15 years ago.

[3:09:41 PM]

And what we're seeing today.

>> Mayor Adler: Ms. Tovo.

>> Tovo: Speaking of committees, if I could intervene, it's 3:10. We have our interim city auditor outside, and lots of auditing staff. I think it's appropriate at this point, with great regrets and apologies, we need to cancel the audit and finance meeting.

>> Mayor Adler: Okay.

>> Renteria: I think it's fair that we allow the audit committee to -- I just don't see ourselves getting out of here before 4:00.

>> Mayor Adler: Yes. Okay. Further conversation on item 28? Ms. Tovo.

>> Tovo: I have a lot of questions, but I guess I'll start with the one that I opened with earlier. Is there an interest in reopening the public hearing on Thursday so that we can hear from the public?

>> Mayor Adler: Can I hear the rest of our debate over the work session before we do that?

>> Tovo: Sure. We can't vote until Thursday, anyway. I would make a pitch that we do. I think we have good voices out there in the community in all respects. And I will say, since we're just talking -- again, I have a lot of questions. I'm not sure how much of them to launch into. I've submitted them through the q&a process. They range from asking for details about the 2000 proposal, to asking the attorney about why a long-term lease that in excess of what we usually do license agreements for, how that is not an alienation of parkland.

[3:11:42 PM]

It ranges from that to looking for what funds exist to provide amenities at this park. I've been in conversations, and have some information about what bond funding remains, and maybe we'll get into some of the particulars of that. I completely agree with the community's assessment that this is a park in need of amenities. I have details, and I think there'll be some coming through the q&a process about what the bond requests have been to the bond advisory committees in past year, and what of those funds have been realized. We should work hard and proactively to figure out what kind of funding we currently have that could provide for some of those amenities. In the last year, the city issued certificates of obligation for \$9 million to acquire a golf course. There are clearly mechanisms for identifying funds to provide amenities if that's one of our main objectives. I hear the discussion about economic development. That is a different question. But, that's the range of some of the questions I've

submitted. Just a very particular one about the subject you just presented. Could you make that available to us in writing? It's very hard for me to follow the various Numbers and financial impacts you've discussed.

>> Absolutely. We sure will.

>> Tovo: And did the city prepare that, or was that from the developers?

>> That was prepared by the developer in response to the city's request for qualifications. Kevin and his staff have reviewed the Numbers, I've helped them, as well.

>> Tovo: Is it in our backup for Thursday?

>> Councilmember, we sent responses to your questions, that you probably haven't had a chance to get to.

>> Tovo: A few hours ago, they weren't posted online.

>> Okay.

>> Tovo: They may be working their way through.

>> I'm sure they are, cyberspace, I'm sure. I know we have the project summary that would detail some of those points.

[3:13:42 PM]

Also, the memo from Ms. Hensley is on its way to you, that would describe some of those benefits.

>> Tovo: Okay. So the information I just requested is already en route?

>> Yes, ma'am.

>> Tovo: Through the various city channels.

>> Mayor Adler: That's going to everybody?

>> Yes, sir.

>> Tovo: So, you know, what you're describing is really akin, in some ways, to an economic development agreement. And typically, when those come forward as chapter 380 agreements, the staff uses a matrix to assess how many jobs, what the value of that is. It's another lens through which to view this, and I wonder if you would give any thought to using that matrix to assess the viability of this. There will be different perspectives on this, but some watching this might argue that there is a significant incentive here to the developers in providing that extent of land. And so, assessing the economic development impact using our existing tools for doing so would be one mechanism of looking at the strength of that deal.

>> Mayor Adler: Ms. Edwards.

>> Assistant city manager. We had a discussion about this previously, but, the difference between a franchise and an economic development deal is very broad. And I don't think that the matrix that we have would fit into what we're talking about with a franchise agreement. We'll look at that one more time, but we have had that discussion already and just don't believe that -- I'm sorry. We don't believe that all of those factors will come out the way that they're supposed to. And one of the things that I would say is that actually, when you look at the golf course, in terms of an economic deal, it's not so much that the golf course is so valuable as it is the anchor, and the fact that when it anchors a piece of property, then many, many other entities will want to come around and be situated around that golf course.

[3:15:55 PM]

So I just wanted to make that difference, that it's more of a community of economic drivers than just one particular franchise agreement.

>> Tovo: As I recall, our matrix for economic development does have some line items that account for

those ancillary businesses and their economic contribution. I forgot what the line on that matrix is, but I thought there was a way to quantify those financial benefits, as well.

>> There is partially, but not all of them.

>> Mayor Adler: Okay. Mr. Zimmerman.

>> Zimmerman: My question was for mayor pro tem tovo, because she has the advantage of kind of having gone through this on November 20th. Could you tell us kind of what you heard in that -- during the public comment, and what might be different if we opened it back up? Just curious.

>> Tovo: Honestly, I'm going to have to go back and rehear it. That seems like a lifetime ago at this point. We heard from members of the community in support. We had an opportunity to hear from the proposed developers. We also heard from people who had concerns. But, it was a range, as I recall. It was a pretty balanced discussion. And it may have come up one over time. I can't remember if it was heard and postponed, if the hearing was opened two times. I've forgotten.

>> Mayor Adler: Ms. Houston.

>> Houston: In relationship to reopened the public hearing, I'm not clear what new voices opportunity hear. Voice yours you want to hear. The voices directly impacted by the lack of amenities or any kind of industry or growth have been pretty clear about what they want. I realize that Walter E. Long metropolitan park is a citywide park, because it is metropolitan.

[3:17:57 PM]

But, is it to hear from those people who are directly impacted, or is it to hear from people who live on the other side of town who perhaps may play golf and want the golf course because of the PGA kind of qualifications? I guess I'm needing more clarification on what kind of voices, because there's been public hearing in many locations at the parks and recreation board last Tuesday night. I think they had another -- was it last Tuesday night? So, there are things that we can listen to. Help me understand, what other voices need to be heard? We've heard from environmentalists, water folks. Every time we've brought up an issue, the developer and parks and recreation folks have tried to come back with something that would help mediate those concerns. Now it's economic development and the lack of amenities in an area that has been underserved and forgotten for many years. I'm trying to -- help me understand what voices we need to hear now.

>> Tovo: Well, certainly if it's the will of the council to keep that public hearing closed, that's fine. I've attended the open houses, I met with the colony park residents, with proposed operators, to attend the last public hearing. I wanted to make sure we raised it as a question here today. If we intend to open the public hearing, I want the public to have notice. But, personally I've heard a lot of the voices and had the opportunity to be involved in a lot of discussions that have taken place. But I do think it is a question of how we use a public asset. And so, I tend to favor more public comment on those kinds of questions than less. But, you know, again if it's the will of the council not to reopen the public hearing, I certainly feel like, you know, I've had an opportunity to hear from a range of voices on the topic.

[3:20:01 PM]

I do have a slew of questions still, but I expect we'll get those answers and move on with followup questions on Thursday.

>> Mayor Adler: Recognizing we can't take any action now because we're in a work session, but, if we wanted on Thursday, we could signal an intent. Can we open up the posted meeting to public comment if it wasn't noticed that way?

>> All the notice in the agenda says the public comment has been closed. You could ask questions of -- have citizens, specific citizens you'd like to hear from, ask questions, but, that wouldn't be the public

hearing. If you wanted a full public hearing, say, on Thursday, you could say you wanted to schedule a public hearing for another day, and we would note it as a public comment, not a public hearing, but, as a full public comment session.

>> Mayor Adler: Okay, thank you.

>> Tovo: We can't just reopen it on Thursday?

>> It's noticed on the agenda as closed.

>> Tovo: Ah, okay.

>> Mayor Adler: Ms. Gallo.

>> Gallo: This is an interesting discussion, and I appreciate staff, economic development talking about the specific economic development opportunities you're presenting, because I think councilmember Houston is absolutely right, that those have been neglected. I did not hear any of those, though, that would be based on having a golf course there. It seemed like a lot of those opportunities that you mentioned were opportunities that could exist without a golf course.

>> I'm sorry if that's what you heard. They don't exist currently.

>> Gallo: I understand that. You're working on proposals for economic opportunities for that area, and listed a group of them which I think is wonderful and very well needed. As you went through that list of proposed opportunities, it didn't sound like any of those would be dependent on a golf course being there.

[3:22:02 PM]

>> No, the opportunity of the golf course has been in the works, as councilmember Houston said, for some time. And we've put these things in works, as well. What I wanted to talk about is that there are things we're doing collectively to spur economic growth and economic development in that area. And so, this would be another good opportunity for us to seize in that regard.

>> Gallo: But once again, my question was that the other ones that you mentioned, which were wonderful, and I think well-needed in that area, are not dependent upon having a golf course. Those are happening independent of this conversation here.

>> Yes, those are happening currently.

>> Gallo: Thank you for clarifying that. That was the impression I got. We do need those opportunities in that area, absolutely. Thank you for working on those. A couple of concerns that I have, and this is concerns -- I'm married to a golfer who loves golf. And I have to be careful what I say.

[Laughing]

>> Gallo: But, I do think as we talk about this 700 plus acreage being used as a golf course that it's important for us to understand that that is -- we are taking that property away from a public use. If somebody goes over there with their dog to walk, where they could, right now, when it's operating as a golf course, that opportunity will be closed to them during the day. Okay? I mean, that's normally how golf courses operate. So, it really, if you pay a green fee to play, which the public can do, and I noticed in the information that they were willing to give a discount -- we don't have any idea what the green fees are, to know what the discount would amount to. But -- okay. Well, thank you. But, they're not inexpensive, I would imagine. Exactly. So, as we talk about using this as a golf course, which is a valid use, but, as we talk about it, it removes this property from public use. We just approved a --S payment -- the payment for a plan to talk about Walter long park and the potential long-term plan for that.

[3:24:15 PM]

It seems like we're kind of talking about this before we have the results of that proposal back. And we're also talking about the possibility of moving some of the festivals to other locations from our central city

park. So we've got all these silo conversations, as councilmember Houston likes to say, I think it's a wonderful term, that we're discussing. But we're looking at this particular situation that will tie this acreage up for 90 years. And so, a question that I have is, do we have other franchisers out there that we've done 90-year commitments to? That would be one question. And the other question would be, how is our franchise agreement, or whatever, lease agreement we have with them, how does that compare in terms of what they pay, their relationship, lease, franchise, whatever we call it?

>> Before we get their answers, while they're getting that together for you, let me clarify that the land that we're talking about, nobody can walk their dog on it. It's purely undeveloped. There's been a fence around it for 35 years. Nobody goes onto that particular parcel of land. So that's undeveloped land that nobody walks on. There's another part of the park where people do walk, and there are picnic grounds, boat ramps, folks go fishing. This is separate from that park. This is an undeveloped part of the park, just so we're clear that people don't walk their dogs there.

>> Gallo: Okay.

>> Cora, assistant director. I wanted to speak first to the public access, because that's very important to the parks department. A part of this proposal includes trail development. So, when we speak of the entire project area, it's going -- right now, our current state is it's all fenced. There is no public access to these 735 or so acres.

[3:26:17 PM]

With the development of the project will come not only the golf course, but will come trails and other types of amenities that the public will very much be able to access. Now, of course, I'm not a golfer, either. So during a game, we wouldn't have the public walking across the golf course, but there will be other amenities there. Kevin, do you want to emphasize that?

>> Sure, Kevin again. So, the design is, it is still -- it's not been designed. But, out of the 735 acres, the developer anticipates between 450 to 500, you have to navigate power lines, but, there will be walking trails that will meander through. There's other opportunities that the community engagement, we've gone out with the community three times. They -- probably one of the focal points was a community garden, this was discussion about that, and various other uses on the lake, fishing piers, access to the lake. Right now, you can take a canoe and enter from the water. That's the only access anyone's had for over 40 years now. Being able to go through the feasibility and lay out the golf course, which the designer would have to do, and then determine where the use would be and take the other re-raining 200 acres-ish to figure out where to put trails away from the golf -- we have walking trails around golf courses now. So, it would remain a public use in that sense all the time. If you paid the fee, you'd be able to pay golf, as well, obviously.

>> Okay. There was a question about what other entities we have license agreements for 90 years.

>> We don't have license agreements for 90 years, we have them for 40 and 50 years. And that's another item that's been provided somewhere. It's on its way to council. It talks about the various different license agreements.

[3:28:19 PM]

>> That has been posted, but it's so tiny I can't read it. What's that? That is the only question that's been answered, as I said, unfortunately, I can't enlarge it to the point where I can read it. But, I asked, do we have them with other for-profit entities. I'm familiar with a lot of the license agreements. They got returned to us for a q&a for the lonestar riverboat question, five years with another five renewal.

>> I'm sorry, there's a column that speaks to whether it is for-profit or not. It is small on the print, on the copy I printed, we can work on a larger --

>> Tovo: That's okay, once I'm on a regular computer I'll be able to read it.
>> Where's the information, is it on the message board?
>> Q&a.
>> Q&a.
>> That's the one that was sent yesterday?
>> Councilmembers, we did provide you the memo from Sara yesterday. We responded to one set of the questions the mayor pro tem did submit yesterday. We have another, a large number of other questions that we're going to be responding. We also have the same staff that has probably working and responding here. We're going to get to them as soon as possible and get you the responses you need.
>> Who sent the email? I put in Sara Hensley and I don't get anything, did it come from you?
>> Yes, it would've come from the public. It would've been the public distribution that we authorize and sent out yesterday.
>> Pool: I looked at that and I didn't see
>> Councilmember Gallo, just a point of clarification, even though we're talking about 90 years, the agreement states a 50 year term with four renewal options of ten-year periods.
>> Gallo: At the developer's option.
>> I believe the city's option as well. The city can cancel this agreement at any time during the term.
>> That's correct.
>> Gallo: That read as developer, I think.
>> If I may have Beverly Mendez, who is our contract manager, to just highlight the agreements that that are at least 30 years or more.

[3:30:29 PM]

>> I'm going to try and read from a very small, fine-print excel spreadsheet as well. Some of the long-term agreements we have also include
[indiscernible] Sculpture garden, clashesville community development corporation for the Haskell house, hill country modelers, the nor tract in town lake park the state theater, girl scouts cabin, wool ridge square, the Austin steam train association, Zachary Scott theater, Austin radio control association, sunshine camp, mexi rt, Travis county expo center, ymca of Austin, Austin men's soaker association. Of course we've got the zilker cafe, Texas rowing center, zilker canoe and kayaks, Texas special, that's the zilker ze they, players concession, Texas golf, relationshipner tennis, love tennis, those are a few.
>> Gallo: So with the information that eventually we'll be able to read, does it also have the terms and amounts and dollars so we can compare that too.
>> Yes.
>> Gallo: Thank you very much. That will be very helpful.
>> Garza: I wanted to express a couple of my concerns and -- that I'm going to be thinking about before Thursday and then I do have a couple of questions.

[3:32:38 PM]

I understand the water issue and the -- that's a concern of mine, but the economic development thing is a real big concern, and I guess it's just -- it's hard for me to believe that something that was considered a great option in 1978, in a master plan in 1978, is something that we're still trying to push today as the best use of that. We have a similar, I guess, controversialish type of thing in district 2, which I appreciate the economic driver that circuit of the Americas is for our city, but I guess I'm just concerned about -- as the mayor was speaking, is this the best we can do? Is bringing these service jobs, giving these -- and I understand councilmember Houston that the jobs -- I see that in my district too, and I'm trying to figure

out ways we can provide more economic development in district 2, but I guess it bothers me that if we're thinking that this is the best we can do for communities like ours, these service jobs. And, you know, the two studies that we came -- one was the economic segregation and one was the -- where the -- you know, number one techy, I feel like providing jobs -- nothing against those in the service industry, but is that just exacerbating that economic divide by providing only these types of jobs to communities like this? You know, in district 2, we literally have -- and I can see where we want to make the connection and if we bring this to our community we'll get infusion because that has happened with circuit of the Americas. There has been infrastructure brought do district 2 that maybe would not have been brought otherwise, but at the same time, it hasn't brought things like grocery stores, it's created a situation where, I mean, millionaires literally helicopterr in to attend these events and then hospital to their hotel back to downtown Austin.

[3:35:00 PM]

So I'm just -- and we're still fighting for a grocery store in Dell valley and we will continue do do that. So the questions I have, those are some of my biggest concerns, the jobs we discussed, I have a couple of questions, are they ghost to be addressed in the resolution? Is there some kind of guarantee there will be a percentage of jobs provided and then -- will that be in writing and will they be paying a living wage? Is there going to be any requirement that they pay a living wage? And I think another big opportunity is a promise of some kind of workforce development. If we're a and I that's become so tech savvy, can we get some workforce development to help, you know, get those kinds of jobs in the -- you know, in east Austin?

>> Sure, I'll take a stab at answering those questions. With regard to the jobs piece of it there are a number of requirements that have been worked into the agreement so far, such as, of course, especially with regard to the prevailing wage requirement, there's a prevailing wage requirement with regard to the construction jobs. There's a nondiscrimination policy such that the developer nor its subcontractors can discriminate, there are a number of construction worker safety requirements that have been worked into the agreement. There's also going to be worked into the agreement that the developer make commercially reasonable efforts to recruit residents from that particular area and to work with minority organizations and nonprofits into Austin to specifically target employees within that district, minorities to be hired for those jobs as well, to provide opportunities. I know there has been some discussion about, okay, what about circuit of the Americas and trying to parallel both the circuit tract and then this project. The problem is circuit of the Americas does not operate 365 days a year.

[3:37:04 PM]

They operate anywhere from five to six elaborates so they get a lot of traffic during the day or during the night and those individuals leave and either come back to downtown or go to the place that's they came from. So this golf course will be operated 365 days a year so you're going to get a number of patrons and a number of visors and tourist that's go over there to play golf, I can't say of course during inclement weather whether that will be the case but you'll have the continuous use of that facility as an attraction for people to come as opposed to to the circuit track and there has been a economic benefit with regard to the track. Your other question, I think what you're asking is this a good first step, and I can say in other parts of Austin that have developed their first step wasn't a large office complex or their first step wasn't the big robust economic environment that they have. They had to start somewhere. And I think what you hear us saying is this is one of those elements to start. This isn't the end goal of what we would like to see in that part of Austin, but we want to start somewhere. And this gives us an opportunity to make that start, and, yes, we're talking about service sector jobs, we're talking about

retail jobs, and we want those other higher paying jobs as well. We want good high-paying office jobs, good paying logistics jobs, good paying manufacturing jobs. This gets us on a pathway towards economic opportunities for that part of Austin.

>> Garza: Quick follow-up, can you provide some examples of how something similar to this started it and then there was more economic development that followed?

>> We can. We can look at some parts of Austin like in -- specifically like northwest Austin, you know, a lot of that area is booming but it's booming as of recently. It was sparsely populated, if you will, but some of those had some -- not necessarily that we had participated in, but they started somewhere.

[3:39:08 PM]

A lot of it is also residential. You have to have a density of residential, which that's hopefully going to be coming to this area with whisper valley and I believe Indian hills. So you have to have some elements in that equation such that you have some really robust and complete economic development to happen. And so we think that this can be one part of that equation.

>> Mayor Adler: Ms. Houston.

>> Houston: Well, I was going to ask Mr. Gonzales, has the developer talked with the community about additional jobs that they can perhaps provide?

>> That might be a question for the developer. I believe Warren haze is here.

>> Mayor Adler: Ms. Houston, I don't know if it's him or Mr. Subtle, can you help us with economic development from your perspective?

>> Sure.

>> Mayor Adler: Help me with that question. Is that okay?

>> Sure.

>> Mayor Adler: -- Will the council indulge opportunity?

[Laughter]

>> Mayor, members of the council, my name is Richard subtle, I've been helping for over two years trying to figure out how to do this, and I've been in Austin for, I would good, almost as long as most of you. But I want to go back and touch on the economic development part and the history of this. Mayor, you had said that we're reacting to this. Let me just tell you how this all came about. This parkland has been sitting out there for a long time, barbed wired off, brush, it's been there since I was a kid. I know exactly where it is, I fished on that lake. We ignored that community for all these years and every time there's a good idea, everybody says well, it's not good enough, let's do something different. Well, this one is different. Warren, and you're going to hear from him in a minute, he owns the property adjacent to this parkland at the intersection there on 130. He gets offers all the time from truck stops. Do we really want 130 to be stripped out with truck stops?

[3:41:11 PM]

I don't think so. What's his other option? If something nice happens at the park, he has the option of maybe doing a resort and a resort is a better -- well, that's an opinion, a resort would be a better deal than a truck stop. But in fact what happened was we brought the idea to the city, the city went out and did an rfq, and I believe -- you can tell me, I think it was a nationwide rfq. We had this land, it is slated for a golf course, it has been since the '70s. Would y'all bring us your ideas? My client won the rfq because what he's proposing is build the city a private -- or a public golf course on public land. It's a public course. It is no different than lines municipal golf course itself it will be motion in limine improvement to a level that the PGA -- which I hope you sauteed, they're bringing a PGA tournament to Austin, Texas, and I can't say much, but I don't think they'd really be looking at this if they were always

going to be looking at existing golf courses. Anyway, I wanted to mention that. It's not reactive. The city went out with an rfq nationwide and Warren's group came to the city and said we will build you these golf courses for free, no cost to the city, no obligation because the only thing he asked for in return was the opportunity to maintain it and operate it. And the way the contract works, if you don't like that on Friday, you terminate it. And that's the difference. Somebody mentioned why this is not a lease. I think councilmember tovo keeps using the word lease. There's not one word of lease in here. It's just not in there. It's an operations agreement. Anyway, economic development, I mentioned, it could be a truck stop.

>> Mayor Adler: What was the rfp? So what was that? When was that? What was requested?

>> So the rfq, requests for qualification statement, went out approximately April of 2014.

[3:43:15 PM]

It was a competitive solicitation. There was a review process. The staff recommendation was decker lake golf. That recommendation came back to the -- obviously the community was involved in writing thing from. We have a very extensive community engagement about what kind of things they wanted in the rfqs. Those were included in the statement itself. That competitive process we had that selection exchanged that's where the process started when we came back with a recommendation to counsel.

>> Mayor Adler: That started out with we want a golf course, who will propose to give us a golf course?

>> That's correct. We sent that out nationally and looked for opportunities for others to give input on what other ideas they might have for what kind of golf course property that might take place at the location.

>> Mayor Adler: Did you have other people reply?

>> Only one and it wasn't a close selection. It was pretty clear.

>> Houston: I'm sorry, Mr. Subtle, I was asking about economic development, and you didn't even touch on that. So could somebody else --

>> Let me hit one --

>> Houston: Okay.

>> Another comment made, this is flat untrue, when we're -- when you talk about we haven't made any investments in this area in all -- it is -- economic development is a slow process, but the city, I believe, has at least endorsed the whisper valley pid, roof tops right across the street, they drive grocery stores, they drive other services. When you get to -- when you get to economic development with a course that's designed of PGA quality and the PGA looks at Austin, it brings attention to Austin just like our other assets do, Google fiber, I know some will disagree with f1 but they do a lot for our city, whether you like or hate them. South buy acl, when you get the PGA looking at us it draws attention to us and spurs things like whisper valleys and more economic development. I'm going to sit down. I know exactly what I'm told right now and that's sit down and let Warren talk so I'm going to do that.

[3:45:18 PM]

>> Mayor Adler: Okay.

>> But I do have the broader question Ms. Houston asked, which is speak to ancillary, economic activity.

>> Yes, I'm Warren haze with decker lake golf and councilmember Houston, the -- on the adjacent property to this, we've -- I've actually signed an agreement yesterday. We are ready to start the feasibility study with a worldwide developer, large development portfolio.

>> Mayor Adler: Can you pull the microphone closer.

>> Excuse me. We are going to start the feasibility study as soon as this is approved for a 500 room resort and 70 conference space. That's been parts of the plan the entire time, to put some jobs in our

community, that's going to hopefully generate more of those types of jobs or more of those -- I mean, right now when I hear these companies are coming to Austin and looking at place to build a corporate campus, corporate center, I think they're coming to the other side of town right now. I've lived out there 24 years and I don't think we're getting those type of people coming out to our side of town looking at buying land, investing in our community. I'm hoping if we get, you know, a PGA facility there and, you know, maybe a PGA tour event, relocate it out there eventually, we have a hotel, destination, place for people to work out there, you know, the -- mm-mm I've been creating jobs in district 1 since I was 18 years old, signing paychecks out there personally. The -- I believe in that community. I met my wife in that community. Raised my kids in that community. So I want to -- you know, I want to create jobs out there. I want to continue doing what we're doing, just on a larger scale, and rich is absolutely right. I mean, my property is perfect for a truck stop. I get told that all the time by land brokers coming out seeing us. If you go from 8969 to sh130 we have a truck stop now down at 969 and 130, going further north we have a recycling center, storage source container place, then you have my copy, I create jobs there now, it will go away -- we'll go to a better property for what we do.

[3:47:36 PM]

Then when you get up to 290, 130, sort of the bulls eye of our economic engine, what should be the future of Austin, where I think we have brown distributing building a warehouse truck stop there on the east side, west side allied waste put property they want to open a recycling facility in our facility, they want to bring y'all's trash to our community. That's the kind of assets we're dealing with on the 130 corridor and we've got to fix that.

>> Houston: I'm sorry, Mr. Haze, I'm still trying to get on economic development.

>> Yes, 500 jobs.

>> Houston: 500 jobs.

>> Yes, ma'am, on my property.

>> Houston: Okay. Thank you.

>> Mayor Adler: Ms. Tovo and then Ms. Pool. Anyone have anymore questions for Mr. Haze? Ms. Gallo zero 5.

>> Gallo: I assume there's vacant land available in that area of town. If you were to buy -- and you're saying 400 acres to do the golf core if you don't do anything but the golf course, if you were to buy 400 acres for a golf course in that area of town, what would you be paying for that acreage?

>> Right now if I could find that land that would be suitable, probably 30,000 an acre is a top of the mark, you know, for something suitable. You know, floodplain, we have a lot of floodplain land that's worth a third of that.

>> Gallo: Okay. That might give us a good calculation for return on investment. Using that kind of value.

>> Well, good question. Would I do that.

>> Gallo: But that's kind of the fair market for what you would be looking for if you were purchasing something over on the open market.

>> Right but we couldn't use the funds with the parks department to build parks.

>> Gallo: I understand. I'm trying to get an idea of the concept of what value that land would have.

>> Correct.

>> Gallo: If you had to buy it somewhere else.

>> Ob.

>> Gallo: In that same area in Nora's district.

[3:49:38 PM]

Thank you.

>> Tovo: I appreciate that question. Actually, I submitted it through the q&a process. Thank you very much to the staff for providing -- there is some information up now. The answer to that question, though, I asked the question of -- if these 735 acres were not dedicated parkland and leased -- and if they were leased on the private market you can what would be the approximate annual revenue. The answer that came banning to me was the parks department has not considered a similar type project. We do not have a projection for this. I also asked a question, what is -- I thought I asked a question, and it's possible it's not here, but I asked for what the value of that acreage is, not just for lease, but for sale. And so I would ask -- I don't think the answer I've got back is necessarily -- addresses that so I would ask that our real estate staff who are accustomed to, you know, understand land values, that they be asked to provide some sense to the counsel of what that -- what the value -- the market value of that land is either for lease or for sale. Again, I'm looking at this quickly but I don't immediately see any answer other than the one I just read. I do have the license agreements, I see. It says golf financials. I want to talk about the golf financials in a minute but I would note it says see the golf financials attachment and that's not yet attached so if we could figure out that missing -- did you have -- did somebody want to pop in on the real estate values?

>> Just thinking about your question as to value of the land, and, you know, I don't know to what extent that might entail some sort of an appraisal, I don't know if we've ever done that in the past. Obviously that is the context within which we determine land value. Are you about to tell me we've done that in the past?

>> Our staff response was we have not commissioned an appraisal of the land at this point.

[3:51:42 PM]

>> Okay.

>> Clearly, we would do so if the land were to be sold, but since that's not our direction, this will be a license agreement. We haven't conducted that.

>> So I don't know. Outside of that context whether there's a reliable methodology by which we could provide some sort of ballpark figure as to value, but we'll certainly ask that question.

>> Tovo: Appreciate it. There are other tracts of land out there that may have been for lease or sale and that would be a starting place. I think councilmember pool talked about what the valuation was back in 2000. With regard to the golf, I look forward to seeing the golf financials. When I've reviewed them in the past, I believe some of our municipal golf courses, maybe all of them, or overall, are -- well, I don't know. How would you describe their financial soundness overall?

>> So as a whole solvent, the golf enterprise fund is supposed to be solve vent every year. The last two years we've had a issue with flooding and fire that resulted in a negative balance. Over the last ten years it's produced a profit. Typically speaking we don't try to make much money to keep fees as low as possible. That financial backup was attached so we'll get it to you very quickly. But as a whole there are courses that don't make money, Hancock golf course, thine holes, we've struggled there for years. Lions golf course, largely due to the lease associated with the golf course operation results in -- it's barely negative but it's close. As a whole, the rest of the golf courses make a profit. The Kaiser golf course, the newest of those, 19 anyone four is probably the most profitable of those golf courses. As I whole most of them cover expenditure costs.

>> Tovo: I have heard concerns about them, and you've noted some of them, that are -- that have struggled and I know we have had to consider water rate changes to help make the golf courses more profitable.

[3:53:47 PM]

So, you know, I don't -- anyway, I appreciate your assessment and look forward to reviewing the financials but I think you've us a summary that speaks to the fact that they are -- they're a -- they're covering their expenses but not highly profitable.

>> Correct.

>> Tovo: In fact some are losing money.

>> That's correct. I will say there's been a lot of discussions about rounds and the golf economy as a whole this really in the city of Austin, even through construction projects, Morris wane was recently under construction and closed almost nine months we've kind of held at about 200,000 rounds of golf over the last six years. There's not the sharp decline in Austin, we've been somewhat insulated. We've been in a better position than some of the nation. And you get conflicting reports from national golf foundation even that speaks to the fact that golf is not in this rapid decline some people have tried to sort of propose is the possible path.

>> Tovo: I guess I ask that question in part because somebody asked the question earlier whether there were other uses contemplated insofar site and we talked about the master plan and the master plan as someone mentioned is 40 or 50 years old at this point so I think it's -- I guess the next question that came to my mind is how many golf courses has the city created in that time since. While there may have been a real need back in 1978 for golf courses, we may have satisfied that need now and we may be seeing that in terms of the financials that are reflected. You know, it strikes me that a master plan that hasn't been revised since 1978 could be in need of being looked at again and determining whether that's still the right way forward. And I want to emphasize, again, that I am very supportive and will be extremely proactive and would work hard to support efforts to identify funds for the Walter E long park because I completely concur with the community members who have said it's long overdue.

[3:55:59 PM]

As our parks director said, you know, there have been several attempts, I mean, the parks department has forwarded those needs to the bond advisory committee and those were not met in the land bond proposal, I think 1.25 million was allocated for the park and it's in need of more funding and I hope we can -- depending on what happens on Thursday or whenever we make a decision, I hope regardless of what happens, we can find some funding to make some of those improvements.

>> To respond to your question, the last course was purchased in -- built was Roy [indiscernible] In 1978. The gray rock course was purchased. One more point to the director's comment she's made is additional funding would be great for this park and that's what's been proposed and not been approved, even with that being said, her discussions have centered around the other side of the lake because that's where users are using the lake presently. If we were to be given 15 or \$20 million to improve like Walter E long property it wouldn'ting on the property fenced off it, it's hard to get to, it's not easy for buses or other users to get to. It's on the side of the lake where we've reduced our expenditures and not provide the amenities we'd like to be able to provide. So.

>> Mayor Adler: Any further conversation, Ms. Pool.

>> Pool: I have a couple, three questions. The greens fees I think councilmember Gallo had raised a question of the greens fees. Kevin, could you tell us what the greens fees are proposed for the new site?

>> Sure. Proposal is between 150 to 200 with a 40% reduction for residents.

>> Pool: What are greens fees elsewhere in the city.

>> O'our lowest is \$9 for juniors and goes to \$79.

>> Pool: So the thinking is you would make money on the greens fees in order to pay for -- why are the greenstize fees higher?

[3:58:01 PM]

>> At that particular site.

>> Troxclair: 5.

>> Pool: For this right.

>> It's deemed more high end, where a higher user would be playing at this facility. A nonresident is not unused to paying 150 and \$200 fees in certain venues. The thought process is our goal is we utilize those funds that are generated through commissions to keep the fees lower at the other city of Austin golf courses. As you know we keep facing lots of increases but we're not able to keep it low as in affordable. We call ourself the affordable golf enterprise fund. This would certainly be higher end and it would be a choice to play those facilities but we want to keep those other golf courses fees lowers with the commissions off this.

>> Pool: You mentioned the site is in an inaccessible part of the park. How are we going to get out there? What roads are we going to build to get to this right.

>> No problem it questions improvements. There is a road that needs lots of improvements. That would be on the developer to provide access into the golf course property, the new development that would take place.

>> Pool: I have some questions about water use. We've been talking for years now about the drought, and it's not for you, Kevin, and I don't know if Mr. Mizaros is still here. We've been talking for quite a while about the drought we're in, protracted long-term drought that weaver in, and we have lake capacity -- capacity at lake Travis is about 33, 34%, really hasn't budged much, is not dropping as fast as it was because of the recent rains but we're distill at about 624 feet. So that's our main source of water. And we can't generate new water. We can use less water in order to save it. So I'd like to have a little bit of conversation on how this -- the water use on this site would affect our water usage.

[4:00:10 PM]

I understand that the developer is proposing to sink a well 3,000 feet down into the --

>> Mayor Adler: Trinity.

>> Pool: Trinity, below the

[indiscernible] Layer, something like that and on private land. So I have a question relating to the fact that this well would be drilled on private land. So 2-part question. One goes to the type of water that's coming out of this we will and then the second one is the location of the well on private land. Let me go to that one first. Should the developer turn the ownership of this golf course back over to the city, which is part of the walk away clause, what happens to the pump that's on the land and is the city going to be required to maintain it? Who owns that pump? Should the developer walk away from this deal? If it's on private land. That's not parkland.

>> I don't know the particulars of that. I think that would have to be part of the details of the transaction to work out. If the developer owned the well system and he was pumping it over through an easement onto the parks property and the city took the parks back, they probably wouldn't have access to the well. But I think that's a detail that could be worked out, I imagine.

>> Pool: I think that answer is important, that that well would not be on city-owned explained wouldn't be owned by the city, okay. So we're talking about a high-grade kind of grass, as I understand only on the putting greens because brown is the new green and we don't want to overly water areas we're not going to be putting on but the kind of turf that is PGA quality would I expect be pretty high level and fairly -- I don't know how resilient it is. I'm curious about the brackish water, chemicals and minerals in the water, high level of saline in the water and how you would -- how it's proposed to use that water effectively in order to maintain the turf on the putting greens.

[4:02:18 PM]

>> I can't answer those questions.

>> I'll take a stab at it. There are lots of grasses that are really used along coastal areas that are -- thrive in high acidic levels. Until they have the ability to study the water and find out what the quality of the water will be, that is dick today what type of grass you use. Because it is a PGA type facility you tend to have faster moving, which is brown. We use reclaimed water now which is almost really close to being potable water and we do have to deal with acid issues at times, fairly rare. Until you know what that water source really comes out of the ground it's going to sort of dictate -- you do that first, then you decide what kind of grass to plant. At that point there's certain grasses that thrive on certain types of brackish water, believe it or not.

>> Pool: So I have a question about property taxes. I don't know if Mr. D. Would answer this one or who. I can put it out there in the ether. Generally when we have development in an area, the value of our existing residents goes up. And so if the economic development is successful in this part of town, that means that the property taxes of the folks who are paying them, because, again, the golf course would not be paying any property taxes, but the people who live around it, the property taxes on their property would likely go up because the land is more valuable. So I was curious to know if we could get kind of an estimate on what sort of impact the economic development would have on existing taxes for the residents in the area.

>> You know, I don't think that we actually can because the valuation is done by the Travis central appraisal district, and that's independent of the city and independent of the school district and the county and they do their own valuations and there's so many other equations and factors that go into the valuation aside from economic development.

[4:04:23 PM]

For example, for residential valuation they look at comparables in terms of sales from that area, in terms of business property, they look at comparables as well, but then they look at profitability and net income. So I don't think it's something that we can do. It's something that the appraisal district does independent of anything that's it's done out there, in terms of the valuation. And the property tax that is paid is simply a factor of what the property tax rate that is set by each entity applied against the valuation.

>> Pool: Right. I know how that works. I've seen it, but I guess what I'm saying is I think we can assume and expect that property taxes will go up on the residents who live in that area. I would just guess that that would happen.

>> And I can't say that it would or wouldn't. That really doesn't depend on the valuation made by Texas - or Travis central appraisal district.

>> Pool: Sure. Then the rates that we would choose leave have I throughout the city.

>> Yes.

>> Pool: So I would reiterate that I'm really interested in working on a comprehensive community development program and vision for the part of town that has been started by colony park. I looked at the YouTube video sent yesterday and I read the really good documentation that was attached to it, and you can feel the need and you can feel the energy that is available at colony park and the other -- but colony park specifically was the one whose document I read. You can just feel the need. And I would love to work on making that vision real. And I want to make sure that we don't put the cart before the horse and tie up a portion of our economic development work on a golf course with what I -- I would love to see sustainable kinds of jobs coming to the colony park area where it's -- where people can see a

future and a future for their kids to the -- the jobs that we provide are good jobs and that will continue and people can grow into them.

[4:06:26 PM]

So I would just leave it at that. I'm very interested in trying to make things better in district 1. I just don't know that a golf course is how that's going to happen.

>> And I would say that if this thing does move forward, that that does not preclude any of that from happening. We will continue to make that a goal of economic development, to make this a sustainable economic development environment.

>> Houston: A goal or a priority?

>> Priority as well.

>> Houston: Thank you.

[Laughter]

>> Mayor Adler: Ms. Houston --

>> This would not preclude any of that from happening.

>> Houston: Let me say something, councilmember troxclair. Could you speak to how the fees help fund the rest of the improvements that the parks board does not have revenue to improve the turner Roberts center of the district park, I'm sorry?

>> Sure. The developer proposed to utilize \$10 of every nonresident fee that would go into a fund partially to fund the short course to keep fees extremely affordable but also to use the balance, 25% of that that would go towards parkland improvements in district 1 and adjacent parkland.

>> Houston: You can't speak to the well and what happens to the well if the developer walks away?

>> We can ask the developer up here. Two would be on his land so therefore we would have to find an alternative water source.

>> Houston: Can I ask about the well, if the city walks away or the developer walks away, what happens to the well? Somebody ask that question, right? Could you say that very quickly?

>> Yes, I can. You will -- the -- if we have a well there, that means we have a golf course there, resort there and the resort is going to have discharge of the water and we'll have an agreement to discharge on the golf course. City-owned golf course, we bring the hot water up, the well wear is 115 degrees, we use it to function the resort with, make it more sustainable, rob the heat off the hot brackish water and dispose of the cold brackish water on to the golf course.

[4:08:36 PM]

Even if I don't run the golf course I'll need that water to put -- I'll -- as industrial use and using it as a golf course to water the golf course about. We will have an agreement in perpetuity for that to happen, no matter if I operate the golf course or not. We'll have to.

>> Houston: Does that answer the question about the well, what happens to the well?

>> Pool: 5.

>> I don't think it's in the agreement but it does answer from the owner of the property who would be sinking the well. I don't know that, you know, it's not in any kind of an agreement.

>> Houston: Okay. Thank you.

>> [Off mic]

>> Houston: I didn't hear what you said.

>> Mayor Adler: It would surprise me at this point if that didn't become one of the terms of a negotiated agreement, given the fact that that was just conceded. Further discussion? Ms. Troxclair and then Mr. Casar.

>> Troxclair: A lot of my questions have been addressed so thank you for providing with us those answers but there's still a couple on my list. First I wanted to; so this golf course is over the Edwards aquifer? Not?

>> No, it is not.

>> Troxclair: So there's no concern about the amount of pesticides that are going to be used on the golf course?

>> Sure, there's absolutely -- I'm sorry. There is absolutely concern. There's an ipm plan that would have to be followed, adhered to.

>> Mayor Adler: What plan?

>> Houston: What is an ipm.

>> Integrated pest management plan.

[Laughter]

>> All of which would be with watershed protection that would be followed through with watershed protection just like any of our other city of Austin golf courses.

>> Troxclair: Can you just expand on that answer a little bit? I don't know what the -- what that is.

>> Let me ask chuck with the watershed to come up and speak to it a little bit there.

>> Good afternoon, mayor, council, city environmental officer.

[4:10:40 PM]

An ipm is a plan to -- how you manage a golf course or development offer anything like that landscape and manage pesticides and fertilizers. We've worked with the loss creek golf course and other course to develop plans that minimize pesticides and fertilizer. This would be especially important with this golf course because of its proximity to decker lake and decker creek. So our staff have done that before and I think what we've suggested to the parks department is that the agreement have in it that ipm plan be developed and submitted to watershed protection for approval.

>> Troxclair: Okay. Thank you. The -- I got an e-mail this week asking about the capital city trap and seat club that's on the property. Can you tell us what happens with that?

>> It's another -- we have two other license agreements that are actually out there that take place so the capital city trap and skeet is one and there's an arrow modelerrers on the northwest portion of the lake, 282 acres combined for those two license agreement uses. Different location, not on the same 735 acres.

>> Troxclair: So its operations would not be impacted by this decision?

>> That's correct.

>> Troxclair: I'm almost hesitant to ask but it seems like an issue that I haven't gotten a direct answer about, which is the charter issue. The issue of our charter kind of stating that anything -- a long-term lease has to be approved by the voters and I know I heard the developers representative say this isn't a lease, but I guess I would like to hear directly from city staff about that issue.

>> Sure, Gregory Miller with the city of Austin law department. And that really is the key distinction, is that it's a license rather than a lease. And what we're talking about here is section 2 -- rather article 2, section 7 of the charter.

[4:12:46 PM]

What that says is that, you know, council can do anything within its implied powers except for sell, lease, convey, mortgage or otherwise alienate parkland without going to the voters. And what you'll notice is that what's not in that laundry list of actions is giving a license agreement. And I could go into this in great detail but I'll try the thumbnail sketch. Things we listed, convey, lease, mortgage, alienate, what

brings those together really is -- in that sense of convey, where we give up a property right that somebody can enforce against us. An example would be like a lease, let's say you have a lease with a tenant and you terminate early. They have recourse against you for damages or whatever. With a sale, you're giving up title to your property, you can't get that back without buying it back. So you look at that list of prohibited activities and that's what they all have in common. A license agreement is very different from those things because, as in this case, the typical license agreement, it's revocable at will, we can revoke it whenever we want, with or without cause, and there's no recourse with the license. So as was said earlier, let's say we wake up Friday, don't like it, terminate it, that's it. The licensee who has been terminated can't come back and sue us or claim damages because that's what the language in the agreement is. So --

>> Cesar: May I ask a follow-up question?

>> Troxclair: Go ahead.

>> Cesar: Sorry, this goes to my greater point, my feeling is that I would want more time on this, but I'll ask the question now. What is -- my understanding is that the licensee here is going to be committing substantial funds toward development of the golf course, development of the roadways, perhaps committing to building a resort.

[4:14:55 PM]

It sounds like a lot of commitments. It seems -- so we could really walk away -- we could build our golf course for us and say as soon as they're done building, sorry, thanks a lot, we want it for the public now?

>> I had the same thoughts you did, and I think everybody did. You know, we sat down with the developers quite a few times and we talked about this at length. And I really personally thought that was going to be the point at which this deal went away, because who would sink that kind of money into the project like this with that sort of revocable license. But they're still here. So everybody understands. That's the deal.

>> Mayor Adler: So I guess at the end of the day, so you build a golf course because you have an ancillary use that you want to have value. The golf course doesn't make money. So they want to have a golf course so that the hotel site and resort site gives them value that doesn't exist otherwise. And I guess -- as I sit here and think about this, you know, they probably would always like to have somebody else take over the golf course so they don't have to worry about it if they have the value in their ancillary use. My fear is here we're new council, coming in, making a big decision concerning a big asset, and in let speculate we're going to look back on it, my fear is, we're going to look back and say you know something, I wish we had that land now that we could do this use, but we've given it away. This will be another wood burning plant or that someone will present us with an economic development didn't in three or four years that we can't take advantage of because we didn't this or something and -- you know, at the end of the day, I guess, in answer to every one of the questions that I have, the answer ultimately is if we decide that golf courses don't work because there's not enough business for them, or they use too much water, or that they're -- this use is inconsistent with using Decker Lake the way we want to use Decker Lake, or any of those things, we could just say, you know, something, we just don't want to do this anymore.

[4:17:09 PM]

It's like entering into any of those deals but the caveat we can stop it whenever we want to. So I guess I'm going to need help thinking that through. It almost sounds too 1-sided but I recognize from an economic development standpoint the developer is banking on the fact that there will not be a better use and at the end of the day it will generate more than what we want. We say it's public and to me

the difference between sale and lease and those things is whoever you enter into those contracts with have a right to exclude you or us or the public. And in this case there is no right to exclude that goes. In fact, even if we did make a right to exclude as part of the agreement, if we woke up tomorrow morning and wanted to end the right to exclude, we could. I guess I'm going to -- that -- given the fact that we can end it whenever we want to, assuming that that stays -- I'm not sure we could do something that would be wrong that we couldn't undue, other than when we got the land back it would now be improved with a golf course and we'd have to deal with the golf course.

>> Houston: Mayor, there's nothing that prohibits other uses on the land. We've got 1800 acres there that this is only going to take up a small portion of, what, 700 --

>> 700.

>> Houston: 700 acres so we've got -- there's still land there. That's why I think it's so important that we try to find a way to fund the improvements needed in that park.

>> Mayor Adler: Mr. Zimmerman.

>> Zimmerman: Yes. Quickly. I'm glad you brought up that because I was thinking exactly the same thing, specifically on this long agreement here, it's on page 38, and article 18.2, termination by city, you know, and 54 years old I've never seen anything like this. I can't understand why anyone would put millions of dollars into improving something that could be taken away from them, you know, like that with a vote of the council.

[4:19:15 PM]

I'm struggling to understand the logic of that section in the agreement. I don't get it. That's the part, I just don't get it.

>> Mayor, councilmembers, Burt L., what I would say, mayor, from the parks perspective, we believe this is a very good proposal in terms of the use because as the councilmember Houston -- as councilmember Houston mentioned, this is a segment of a much larger tract. When you have a private investment -- private inventor bringing to the table a range of 25 to \$30 million that is private dollars, going to become public because by virtue of the agreement, that is our -- now our asset, you know, when -- on a piece of property that has had a chain link fence for over 40 years. On top of that, where you have permanent jobs -- certainly we can all agree that service industry may not be the best, but when you've got a neighborhood and you've got a community that -- I've been here with the city nine years, and they have a lot of needs. When they're in the now in terms of jobs, they really don't have the ability to wait two or three years or four years. They really need jobs today. They need jobs and certainly service industry may be a step up and with the strategies that Rodney talked about in terms of workforce development, there's plenty of things we can do to hopefully progress that even further. And then the fact that you've got a neighborhood that does not have a health clinic, does not have a grocery store within five, six, seven, eight, miles, depending on where you live in the neighborhood and the fact that really from staff's perspective, the alternative is if you do not have this proposal, is nothing. And we don't believe that is an option. We don't believe that doing nothing is an option. We really love the idea of coupling this proposal with the idea of community and economic development.

[4:21:19 PM]

Because a lot of what we're hearing from the neighborhood, based on the outreach not only from this project, but the Travis county expo and then also the project with the community transmission grant has been the need for grocery stores, health clinics, for restaurants, you know, just basic things, basic needs that a lot of us quite honestly take for granted in our neighborhoods. And so I would urge the council to consider it from that perspective, in the sense that, you know, this is a neighborhood that just has a lot

of real basic needs and essential not short changing in any way, shape or form the service piece, but I think this provides that beginning of what we believe would be a very beneficial situation for this neighborhood. So just wanted to give that you perspective.

>> Mayor Adler: If we voted for this, which gives the city the right to negotiate and execute -- you comp negotiate and execute an agreement at this point that doesn't include an automatic right to terminate on behalf of the city or negotiate and execute an agreement that didn't give us the right to have the water from the well in perpetuity either, could you?

>> I guess my response to that is that we wouldn't do that.

>> Mayor Adler: Okay.

>> We wouldn't negotiate to sustain the city's right to exit the relationship, as approximates been discussed here, and we would negotiate in such a way that as Mr. Mizaros was talking earlier in terms of his comfort about access to the lake for future purposes, should the need, we would negotiate in a way that maintains that absolute prerogative for the city and the water department.

>> Mayor Adler: Ms. Tovo?

>> Tovo: Yeah, thanks. I had asked in my q&a for the definition of a concession, lease and a license agreement.

[4:23:23 PM]

I see here a definition for concession but not the other two and I just want to understand that, if I can, in the context of this sheet, it would seem to me that part of why this is a -- part of why there is a right to terminate is to keep it from becoming a lease, which would require a vote of the public, right? So that's why it's a license agreement with a -- I would assume without knowing those definitions really clearly, but I assume that's why there's a right to terminate at any point, so that it doesn't become a lease, which would be legally I am permissible for us to do. That doesn't mean -- I mean, having a right spelled out in the contract for the city to terminate doesn't mean that a party couldn't turn around and sue the city, though, I would expect.

>> Yeah. In my experience, in contract disputes, courts always want to know what the contract says, and will interpret the contract within the four corners, so to speak, of the document. And it's particularly true when both parties are savvy and going into the agreement with their eyes wide open. Such as a situation that we have now. I think it would be an extraordinary situation for a court -- for us to be found in the wrong for terminating with the agreement as it is. It would be a very unusual set of circumstances. I think that the risk of that happening I believe is substantially low.

>> Tovo: I'd glad to hear that. I am looking over this list of license agreements and while it's described as license agreements some are noted as master agreements, some partnerships, some are noted as lease agreements. And so it would be real helpful to have the rest of that answer of what -- how the city defines comp sessions, leases, license agreements and, you know, for example, I'm looking, it looks like we have a lease agreement with lions municipal golf course.

[4:25:36 PM]

It is concessions with the food and beverages at the different golf courses, but the tennis, the operation of the tennis centers appears to be -- it says master agreement agreement and then it's noted the contract description is noted as a concession. Anyway in terms of our understanding the information presented here and what is comparable and what isn't, most of them have much shorter terms. Some do have longer terms but then they're for places like, say, the state theater, I have to put my glasses back on, the state theater and mexicarte, which I wasn't aware was on parkland? Is it technically on parkland? So if you could just give us -- I think we probably don't want to go through it in detail but just

in terms of being able to understand the information here and how it may or may not be relevant to this discussion, that would be helpful.

>> Sure, Kirk scan Lon, contract administration with parks and recreation, I'll be really brief.

>> Houston: Can't hear you at all.

>> I'm sorry. Just to be brief, we use license agreement to show that a certain third-party has the right to operate or maintain or make improvements on land. So we have a number of different types of agreement that are essentially license agreements. So about the Austin rogue club, they operate and maintain the waller creek boat house but they have a license to do so. So in that list we gave you all of those we have given that authority to a third-party to operate parkland and we consider it a license agreement.

>> Tovo: If they're noted on here as -- where am I? Lyons municipal golf course, if it's noted as a lease agreement does that really mean a license agreement.

[4:27:40 PM]

>> Councilmember that would be the exception because Lyons is not city --

>> Tovo: It's on our sheet as an example. How about mexicarte and the state theater? Are those on parkland? I may not --

>> No.

>> Tovo: Downtown.

>> If they're going to be -- that was not parkland gave authority to.

>> Tovo: I appreciate that clarification. The q&a talks about them being license agreements in which we're providing a third-party authority to main, otherwise gain, limit, regulate access to parkland. What you've provided here is broader than license agreements on parkland. They're examples of all kinds of agreements we have with third-parties, non-parkland or not.

>> Couple of clarifications I'd like to make, we were working against time.

>> Tovo: Tained.

>> So we pulled from our database of all agreements that we have with the parks department. So you do have a variety of types of agreements, by and large they are license agreements. But I would like for counsel to know that when we enter into a license agreement with another entity for the purpose of using land without giving up any of our rights, or ownership to that property, it always and standardly comes with a clause that we can terminate that agreement without -- for convenience or for cause, either way okay, thank you. This is very, very valuable. I want to be sure I understand that some of these are lease agreements we have with other entities, some are concession agreements for operations on parkland that tend to be food --

>> Yes.

>> Tovo: A couple of them are concession agreements for operators to run, say, tennis, possibly golf, I'm not sure if there's another golf on here, some of them are long-term leases, but they are not on parkland, like mexicarte and -- thank you, I look forward to reviewing this.

>> Some of those are on parkland.

>> Tovo: Sure, [indiscernible]

[4:29:41 PM]

I think is an example on parkland.

>> If I may correct one statement, I'm not -- the watershed protection want me to clarify that somebody troxclair it is over the aquifer, over the saline portion of the Edwards aquifer, though.

>> Cesar: Mayor, my last point, I know we've gone very long, I want to restate my hope that on Thursday

we can talk about not -- to making -- to making a final decision on Thursday because coming into this conversation my feeling was that this bass so much whether it was legally or just optically not in line with our charter, that I felt pretty clear about the direction that I was going to go, but now we're understanding some of the terms of the contract and also wanting to understand [indiscernible] Theater and how the ymca operate on parkland I think it's become more of an open question for me and this being such an important issue, I really would like some time and I'm looking at other faces, I think I hope and imagine others would like some time to dig through this before making a call on Thursday. I do know the urgency the colony park may feel and I respect that but, you know, this has become more of an open question for me because of the long work session and I appreciate that.

>> Renteria: Mayor?

>> Mayor Adler: Mr. Renteria.

>> Renteria: I also feel the same way. There are just so many questions that have been asked and I'm really confused on this lease contract or whatever they call it, just don't understand it, too much issues, I'm going to recommend also that it goes to committee.

>> Houston: And councilmembers, I understand the confusion that you may be experiencing. But I'm going to speak for the people who have been dealing with the developers for months and months and months in intense conversations about how to make sure that everybody is -- everything is documented, who is held accountable, how many of this, how many of that, what are the community benefits.

[4:32:00 PM]

And I think that it will be seen as a very negative response to move it to a committee. I think if we do something that both [indiscernible], which is where I always try to go, is give the developer the opportunity to go ahead and complete their feasibility study, at least get it started, and also give the economic development an opportunity to start developing a strategic plan to address the issues, I think that's -- that we can go along with that. But to say to the people who have been working on this for -- well, on this part for -- in may a year and for the other part almost two carriers, I think that says that we don't trust their ability to make some decisions for themselves. And I think that's an important thing that we must all take into consideration.

>> Renteria: Mayor? I also left out, another reason why I'm really concerned is that I was contacted by the chair of the parks board, and she told me that she was against it. She lives into district 1. She don't live in my district. And that's when I was really confused. She urged me not to support this because, you know -- I don't have any backup data but how did the parks board vote it and how -- what were their concerns? I didn't hear any of that.

>> Houston: The park board voted three -- four against, two abstaining so it moved forward with no recommendation.

>> May I add the chair abstained.

>> Cesar: And just to respond to Ms. Houston's point, I guess I would though it's not disrespectful about their ability to make that skit decision. What I'm trying communicate is I felt pretty clearing going into Thursday that I would not be able to support this item because of the charter limitations, but because of this discussion I'm open to hearing out more of the conversation about what they worked on.

[4:34:08 PM]

And so I hope that my urge to work on this more and postpone this more is -- is hopefully more amenable to some of those folks in colony park than before. Anyways, it really did seem to me that this was -- did feel somewhat more like a loophole around our charter but I do now understand having had this conversation that it may be feeble for feasible for me to support it with more time.

>> Mayor Adler: Any further discussion on this issue? Any further discussion on any other items to poll?
Work session stands adjourned.
[Work session adjourned]